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LEGISLATIVE HISTORY

Public Law 327--81st Congress

Chapter 621--1st Session

H. R. 4830

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FOREIGN AID APPROPRIATION ACT, 1950. Provides \$1,074,000,000 for Economic Cooperation Administration program for the period April 13, 1949, through June 30, 1949, and \$3,628,380,000 for the fiscal year 1950; \$45,000,000 for assistance to Greece and Turkey; \$912,500,000 for the Army Department for government and relief in occupied areas; and \$110,000 for liquidation of the affairs of the Joint Committee on Foreign Economic Cooperation. Authorizes the President to transfer to any other department or agency any function or functions provided for under the appropriation for government and relief in occupied areas, and provides for transfer of funds and property in connection with the transfer of such functions. Authorizes the Army Department, during the fiscal year 1950, to produce anhydrous ammonia in certain of its ordnance plants for the manufacture of nitrogenous fertilizer materials or compounds for use in the occupied countries or for sale to Korea.

INDEX AND SUMMARY OF HISTORY ON H. R. 4830

April 25, 1949 Documents: The estimates upon which the bill is based are contained in House Documents Nos. 167, 172 and 181.

April 27, 1949 Hearings: House, H. R. 4830.

May 23, 1949 House Committee on Appropriations reported H. R. 4830. House Report 657. Committee print of the bill. Print of the bill and report as reported.

May 25, 1949 House Rules Committee reported H. Res. 228 for the consideration of H. R. 4830. House Report 679.

May 26, 1949 House debated and passed H. R. 4830. Passed, 193-27, with amendments. Agreed to an amendment by Rep. Gary to permit the amount to be used during the period ending May 15, 1950.

May 27, 1949 Print of H. R. 4830 as referred to the Senate Committee on Appropriations.

June 8, 1949 Hearings: Senate, H. R. 4830.

June 10, 1949 Print of an amendment proposed by Senator Thomas.

June 12, 1949 Senate Committee reported H. R. 4830 with amendments. Senate Report 655. Print of the bill as reported.

July 12, 1949 Prints of amendments proposed by Senators McClellan, Bridges, McCarran, and Thomas.

July 14, 1949 Prints of amendments proposed by Senator Thomas.

July 18, 1949 Print of an amendment proposed by Senator McCarran.

July 22, 1949 House debate began. There was discussion of agricultural commodities at several points during the debate.

July 25, 1949 House debate continued.

Prints of amendments proposed by Senators McCarran, Kem and Knowland.

July 26, 1949 House debate continued. Rejected, 37-41, a committee amendment to decrease the ECA item, for the period from April 19 to June 30, 1949 from \$1,074,000,000 to \$1,000,000,000.

July 27, 1949 House debate continued. Senator Lucas made a point of order on the McClellan amendment which would earmark funds so that the amounts estimated for purchase of agricultural commodities could be used for that purpose and no other. This point of order was sustained, and the entire bill was automatically referred back to the Appropriations Committee.

Print of the bill as re-committed to the Senate Committee.

July 28, 1949	Senator Knowland moved to reconsider the vote sustaining the point of order.
July 29, 1949	Senate discussed the vote to reconsider, and waive the point of order. Senator Ford objected to it.
July 30, 1949	Senate Committee reported H. R. 4320 with amendments. Senate Report 312. Print of the bill as reported.
August 1, 1949	Vice President Barkley announced that he is still considering the parliamentary questions regarding debate on the bill. Sen. McCellar and Bridges submitted notices of motions to suspend the rules on this bill. Prints of amendments proposed by Senators Bridges and McCellar.
August 3, 1949	Senate continued debate. The Vice President ruled out of order McClellan's proposal (that 90% of the amounts estimated for agricultural commodities shall not be available for other financing) on the basis that the rule violates legislation on an appropriation bill. This decision was sustained by a vote of 92 - 32. Prints of amendments proposed by Senator McClellan.
August 4, 1949	Senate continued debate. Print of an amendment proposed by Senator Henn.
August 5, 1949	Senate continued debate. Rejected, 38-37, a motion to suspend the rules and agree to the McClellan amendment regarding purchase of agricultural commodities. Agreed to an amendment by Sen. Thomas to authorize the Army to operate plants for production of nitrogenous fertilizer materials to be used in occupied countries. Discussed purchases of alcohol and molasses by British and shipment of fertilizer to Greece.
August 8, 1949	Senate debate concluded. Passed, 63-7, with amendments. Senate conferees appointed. Print of the bill with the amendments of the Senate numbered.
August 9, 1949	House discussed Senate amendments. House conferees appointed.
September 28, 1949	House received the conference report. House Rept. 1354.
September 29, 1949	Both houses agreed to the conference report.
October 6, 1949	Approved. Public Law 227.

ESTIMATES OF APPROPRIATION FOR EXPENSES OF THE
EUROPEAN RECOVERY PROGRAM

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

ESTIMATES OF APPROPRIATION FOR THE PERIOD APRIL 3, 1949,
THROUGH JUNE 30, 1950, IN THE TOTAL AMOUNT OF \$5,272,200,000,
FOR EXPENSES OF THE EUROPEAN RECOVERY PROGRAM

APRIL 25, 1949.—Referred to the Committee on Appropriations, and ordered to be
printed

THE WHITE HOUSE,
Washington, April 22, 1949.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to submit herewith for the consideration of the Congress estimates of appropriation for the period April 3, 1949, through June 30, 1950, in the total amount of \$5,272,200,000, for expenses of the European recovery program.

The Congress, by extending the authorization under the Economic Cooperation Act for an additional 15 months, has indicated its continued recognition of the need to assist the free peoples of Europe to achieve economic stability. I urge that the Congress speedily appropriate the necessary funds to carry forward this vital aspect of our foreign policy.

The details of the estimates are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 ESTIMATES OF APPROPRIATION—EUROPEAN RECOVERY PROGRAM

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., April 22, 1949.

The PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration estimates of appropriation for the period April 3, 1949, through June 30, 1950, totaling \$5,272,200,000, for expenses of the European recovery program, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,074,000,000, of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That not to exceed \$4,400,000 in the aggregate shall be available from this appropriation and the appropriation under this head in the Foreign Aid Appropriation Act, 1949, for administrative expenses during the period April 3, 1949, through June 30, 1949.

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the fiscal year ending June 30, 1950, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$4,198,200,000, of which not to exceed \$500,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with appropriations under this head for prior periods, and such consolidated appropriation may be used during the fiscal year 1950 within limitations herein specified: *Provided further*, That not to exceed \$16,500,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950.

These estimates of appropriation are to provide funds to carry out the purposes of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47), which authorizes appropriations of \$1,150,000,000 for the period April 3, 1949, to June 30, 1949, and \$4,280,000,000 for the fiscal year ending June 30, 1950.

Since February 1949, when the estimates contained in the authorizing law were submitted to the Congress, a number of developments have occurred which affect the amount of funds required. The most

important of these developments is the price decline in the United States. As a result of these changes, the appropriation estimates now recommended are \$157,800,000 below the amounts authorized for appropriation.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE NATIONAL MILITARY ESTABLISHMENT—DE-
PARTMENT OF THE ARMY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE
FISCAL YEAR 1950 IN THE AMOUNT OF \$1,000,000,000 FOR THE
NATIONAL MILITARY ESTABLISHMENT—DEPARTMENT OF
THE ARMY

MAY 5, 1949.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, May 5, 1949.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$1,000,000,000 for the National Military Establishment—Department of the Army.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 4, 1949.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$1,000,000,000 for the National Military Establishment—Department of the Army, as follows:

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,000,000,000, of which not to exceed \$50,000,000 shall be available for administrative expenses: *Provided*, That when members of the armed forces are employed primarily for the purposes of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid herefrom: *Provided further*, That the general provisions of the appropriation Act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service or employment bringing such individual within the provisions of sections 281 or 283 of Title 18, U. S. Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (e) of the

Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948, as amended, shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for government and relief in occupied areas as it has with respect to programs under said Act: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned.

This estimate of appropriation would provide the necessary supplies and services to minimize disease and unrest in occupied areas and would continue the economic rehabilitation programs in Japan and the Ryukyu Islands. In addition, it provides the costs of administration of the programs.

With respect to bizonal Germany, funds contained in this appropriation are complementary to the Economic Cooperation Administration program for Germany.

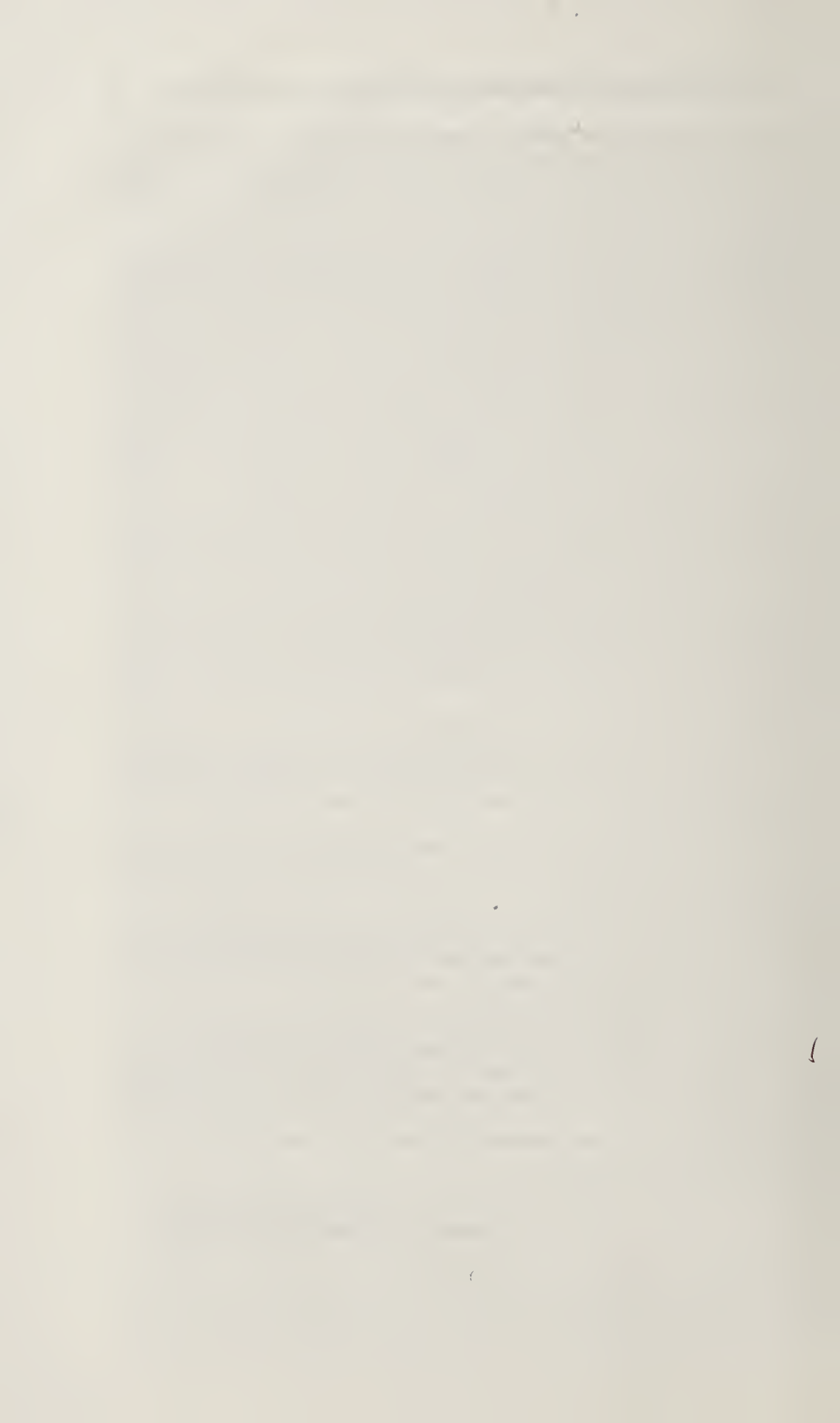
The appropriation language as modified above is necessary in order to facilitate the transfer of responsibilities for the administration of occupied areas to such governmental departments or agencies as would be involved when occupation would terminate or upon the establishment of local government.

Submission of this estimate has been withheld until this time in order to take advantage of latest trends in commodity prices and to make certain of the coordination of programs between the Departments of the Army and of State and with the Economic Cooperation Administration.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
ASSISTANCE TO GREECE AND TURKEY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1950, IN THE AMOUNT OF \$50,000,000, FOR ADDITIONAL
ASSISTANCE TO GREECE AND TURKEY

MAY 19, 1949.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 19, 1949.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$50,000,000 for additional assistance to Greece and Turkey.

The details of the estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

2 SUPPLEMENTAL ESTIMATE FOR AID TO GREECE AND TURKEY

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., May 18, 1949.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$50,000,000 for additional assistance to Greece and Turkey, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

ASSISTANCE TO GREECE AND TURKEY

For an additional amount for "Assistance to Greece and Turkey," as authorized by the Act of May 22, 1947 (61 Stat. 103), as amended and supplemented, to be available immediately, \$50,000,000, which, together with the amounts heretofore appropriated under this head, shall remain available until June 30, 1950; and the existing limitation under this head in the Foreign Aid Appropriation Act, 1949, on the amount available for administrative expenses, shall continue in effect; and the existing limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$400,000" to "\$425,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State.

The Congress has authorized the appropriation of \$675,000,000 for assistance to Greece and Turkey, of which amount \$625,000,000 has already been appropriated. The \$50,000,000 herein requested will complete the appropriation of funds authorized by the Congress.

The additional funds are urgently needed to permit the uninterrupted flow of assistance to Greece and Turkey. Substantial progress has been made in the repression of guerrilla operations in Greece. However, further United States assistance is required to enable the Greek Government to restore internal security, which is essential to rehabilitation and reconstruction. The additional aid for Turkey would further increase the ability of this Nation to maintain its territorial integrity and to continue as a stabilizing force in the Near East.

This supplemental estimate of appropriation will be taken into consideration in the recommendation for funds for the military-assistance program, the authorization for which is expected to be submitted to the Congress in the near future.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Director of the Bureau of the Budget.

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NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

81ST CONGRESS
1ST SESSION

H. R. 4830

[Report No. 657]

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 1949

Mr. GARY, from the Committee on Appropriations, reported the following bill: which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000) ; hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672) ; health service program as authorized by law (5 U. S. C. 150) ; rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000) ; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,074,000,000, of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That not to exceed \$4,400,000 in the

1 aggregate shall be available from this appropriation and
2 the appropriation under this head in the Foreign Aid Ap-
3 propriation Act, 1949, for administrative expenses during
4 the period April 3, 1949, through June 30, 1949.

5 For expenses necessary to enable the President to carry
6 out the provisions of the Economic Cooperation Act of 1948,
7 as amended by the Act of April 19, 1949 (Public Law 47),
8 for the fiscal year ending June 30, 1950, including expenses
9 of attendance at meetings concerned with the purposes of
10 this appropriation (not to exceed \$30,000) ; purchase (not
11 to exceed two) and hire of passenger motor vehicles; main-
12 tenance and operation and hire of aircraft; payment of
13 damage claims pursuant to law (28 U. S. C. 2672) ; health
14 service program as authorized by law (5 U. S. C. 150) ;
15 rents in the District of Columbia; transportation of privately
16 owned automobiles; entertainment (not to exceed \$25,000) ;
17 exchange of funds without regard to section 3651 of the
18 Revised Statutes; and loss by exchange; ~~\$4,015,900,000~~, of
19 which not to exceed \$500,000 shall be available for ex-
20 penditures of a confidential character (other than enter-
21 tainment) under the direction of the Administrator or the
22 Deputy Administrator, who shall make a certificate of the
23 amount of each such expenditure which he may think it
24 advisable not to specify, and every such certificate shall be
25 deemed a sufficient voucher for the amount therein specified:

1 *Provided*, That this appropriation shall be consolidated and
2 merged with appropriations under this head for prior periods,
3 and such consolidated appropriation may be used during
4 the fiscal year 1950 within limitations herein specified:
5 *Provided further*, That not to exceed \$16,500,000 of such
6 consolidated appropriation shall be available for adminis-
7 trative expenses during the fiscal year 1950.

8 ASSISTANCE TO GREECE AND TURKEY

9 For an additional amount for "Assistance to Greece
10 and Turkey", as authorized by the Act of May 22, 1947
11 (61 Stat. 103), as amended and supplemented, to be avail-
12 able immediately, \$50,000,000, which, together with the
13 amounts heretofore appropriated under this head, shall re-
14 main available until June 30, 1950; and the existing
15 limitation under this head in the Foreign Aid Appropria-
16 tion Act, 1949, on the amount available for administrative
17 expenses, shall continue in effect; and the existing limita-
18 tion under said head on the amount available for such
19 expenses in the District of Columbia is increased from
20 "\$400,000" to "\$425,000": *Provided*, That said limitations
21 shall apply only to the administrative expenses of the
22 Department of State.

1 NATIONAL MILITARY ESTABLISHMENT

2 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

3 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

4 For expenses, not otherwise provided for, necessary to
5 meet the responsibilities and obligations of the United States
6 in connection with the government or occupation of certain
7 foreign areas, including personal services in the District of
8 Columbia and elsewhere and, subject to such authorizations
9 and limitations as may be prescribed by the head of the
10 department or agency concerned, tuition, personal allow-
11 ances (not to exceed \$10 per day), travel expenses (not
12 to exceed those authorized for like United States military
13 or civilian personnel), and fees incident to instruction in
14 the United States or elsewhere of such persons as may be
15 required to carry out the provisions of this appropriation;
16 travel expenses and transportation; services as authorized
17 by section 15 of the Act of August 2, 1946 (5 U. S. C.
18 55a), at rates not in excess of \$50 per diem for individuals;
19 health service program as authorized by law (5 U. S. C.
20 150); payment of claims pursuant to law (28 U. S. C.
21 2672); translation rights, photographic work, educational

1 exhibits, and dissemination of information, including preview
2 and review expenses incident thereto; expenses incident to
3 the operation of schools for American children; printing
4 and binding; purchase and hire of passenger motor vehicles
5 and aircraft; repair and maintenance of buildings, utilities,
6 facilities, and appurtenances: contingencies for the United
7 States commanders, commissioners, or other administrators
8 of foreign areas, to be expended in their respective discre-
9 tions (not exceeding amounts authorized or approved by
10 the head of the department or agency concerned); such
11 minimum supplies for the civilian populations of such areas
12 as may be essential to prevent starvation, disease, or unrest,
13 prejudicial to the objectives sought to be accomplished;
14 and such supplies, commodities, and equipment as may be
15 essential to carry out the purposes of this appropriation;
16 ~~\$949,600,000~~, of which not to exceed ~~\$45,200,000~~ shall
17 be available for administrative expenses: *Provided*, That the
18 general provisions of the appropriation Act for the fiscal
19 year 1950 for the military functions of the Department of
20 the Army shall apply to expenditures made by that Depart-
21 ment from this appropriation: *Provided further*, That ex-
22 penditures from this appropriation may be made outside
23 continental United States, when necessary to carry out its
24 purposes, without regard to sections 355, 1136, 3648, and
25 3734, Revised Statutes, as amended, civil service or classifi-

1 cation laws, or provisions of law prohibiting payment of
2 any person not a citizen of the United States: *Provided*
3 *further*, That expenditures from this appropriation may be
4 made, when necessary to carry out its purposes, without
5 regard to section 3709, Revised Statutes, as amended, and
6 the Armed Services Procurement Act of 1947 (Public
7 Law 413, Eightieth Congress): *Provided further*, That
8 expenditures may be made hereunder for the purposes of
9 economic rehabilitation in the occupied areas in such manner
10 as to be consistent with the general objectives of the Eco-
11 nomic Cooperation Act of 1948, as amended: *Provided*
12 *further*, That funds appropriated hereunder and unexpended
13 at the time of the termination of occupation by the United
14 States, of any area for which such funds are made available,
15 may be expended by the President for the procurement of
16 such commodities and technical services, and commodities
17 procured from funds herein or heretofore appropriated for
18 government and relief in occupied areas and not delivered
19 to such an area prior to the time of the termination of
20 occupation, may be utilized by the President, as may be
21 necessary to assist in the maintenance of the political and
22 economic stability of such areas: *Provided further*, That
23 before any such assistance is made available, an agreement
24 shall be entered into between the United States and the
25 recognized government or authority with respect to such

1 area containmg such undertakings by such government or
2 authority as the President may determine to be necessary
3 in order to assure the efficient use of such assistance in
4 furtherance of such purposes: *Provided further*, That such
5 agreement shall, when applicable, include requirements and
6 undertakings corresponding to the requirements and under-
7 takings specified in sections 5, 6, and 7 of the Foreign Aid
8 Act of 1947 (Public Law 389, approved December 17,
9 1947): *Provided further*, That service of an individual
10 rendered under this appropriation as an expert, consultant,
11 adviser, or technician shall not be considered as service or
12 employment bringing such individual within the provisions
13 of sections 281 or 283 of title 18, United States Code, of
14 section 190, Revised Statutes (5 U. S. C. 99), or of
15 section 19 (e) of the Contract Settlement Act of 1944, or
16 of any other Federal law imposing restrictions, requirements,
17 or penalties in relation to the employment of persons, the
18 performance of services, or the payment or receipt of com-
19 pensation in connection with any claim, proceeding, or
20 matter involving the United States: *Provided further*, That
21 funds appropriated hereunder may be used, insofar as prac-
22 ticable, and under such rules and regulations as may be
23 prescribed by the head of the department or agency con-
24 cerned, to pay ocean transportation charges from United
25 States ports, including territorial ports, to ports in Japan

1 and the Ryukyus for the movement of supplies donated to,
2 or purchased by, United States voluntary nonprofit relief
3 agencies registered with and recommended by the Advisory
4 Committee on Voluntary Foreign Aid or of relief packages
5 consigned to individuals residing in such countries: *Pro-*
6 *vided further*, That under the rules and regulations to be
7 prescribed, the head of the department or agency concerned
8 shall fix and pay a uniform rate per pound for the ocean
9 transportation of all relief packages of food or other general
10 classification of commodities shipped to Japan or the
11 Ryukyus regardless of methods of shipment and higher rates
12 charged by particular agencies of transportation, but this
13 proviso shall not apply to shipments made by individuals
14 to individuals: *Provided further*, That the President may
15 transfer to any other department or agency any function or
16 functions provided for under this appropriation, and there
17 shall be transferred to any such department or agency such
18 unobligated balances of this appropriation and, without reim-
19 bursement and without regard to the appropriation from
20 which procured, such property as the Director of the Bureau
21 of the Budget shall determine to relate primarily to any
22 function or functions so transferred; and any funds so trans-
23 ferred may be expended either under the authority contained
24 herein or under the authority governing the activities of
25 the department or agency concerned.

1 TITLE II—GENERAL PROVISIONS

2 SEC. 201. No part of any appropriation contained in
3 this Act shall be used to pay the salary or wages of any
4 person who engages in a strike against the Government of
5 the United States or who is a member of an organization
6 of Government employees that asserts the right to strike
7 against the Government of the United States, or who advo-
8 cates, or is a member of an organization that advocates, the
9 overthrow of the Government of the United States by force
10 or violence: *Provided*, That for the purposes hereof an
11 affidavit shall be considered prima facie evidence that the
12 person making the affidavit has not contrary to the pro-
13 visions of this section engaged in a strike against the Govern-
14 ment of the United States, is not a member of an organiza-
15 tion of Government employees that asserts the right to strike
16 against the Government of the United States, or that such
17 person does not advocate, and is not a member of an or-
18 ganization that advocates, the overthrow of the Government
19 of the United States by force or violence: *Provided further*,
20 That any person who engages in a strike against the Govern-
21 ment of the United States or who is a member of an
22 organization of Government employees that asserts the right
23 to strike against the Government of the United States, or
24 who advocates, or who is a member of an organization
25 that advocates, the overthrow of the Government of the

1 United States by force or violence and accepts employment
2 the salary or wages for which are paid from any appropria-
3 tion contained in this Act shall be guilty of a felony and,
4 upon conviction, shall be fined not more than \$1,000 or
5 imprisoned for not more than one year, or both: *Provided*
6 *further*, That the above penalty clause shall be in addition
7 to, and not in substitution for, any other provisions of existing
8 law.

9 SEC. 202. This Act may be cited as the “Foreign Aid
10 Appropriation Act, 1950”.

[FULL COMMITTEE PRINT]

Union Calendar No.

81ST CONGRESS
1ST SESSION

H. R.

[Report No.]

A BILL

Making appropriations for foreign aid for the
fiscal year ending June 30, 1950, and for other
purposes.

By Mr. GARY

MAY 23, 1949

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

FOREIGN AID APPROPRIATION BILL, 1950

MAY 23, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4830]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for foreign aid for the period beginning April 3, 1949, and ending June 30, 1950, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 167, 172, and 181.

SCOPE AND PURPOSE OF THE BILL

The bill as drawn is the result of committee consideration of certain activities contemplated under the Foreign Assistance Act of 1948, as amended by Public Law 47, Eighty-first Congress, and for assistance to Greece and Turkey, in addition to estimates for financing government and relief in occupied areas.

SUMMARY OF ESTIMATES AND APPROPRIATIONS

The total of budget estimates considered for foreign aid and rehabilitation activities encompassed in the bill for the fiscal year 1950 is \$5,248,200,000. The amount recommended by the committee is \$4,468,470,000, a reduction of \$779,730,000 below the budget estimates. In addition, the committee considered a supplemental request for the Economic Cooperation Administration of \$1,074,000,000 for the last quarter of fiscal year 1949. In this connection, it should be noted that the Foreign Aid Appropriation Act for the fiscal year 1949 contains the following proviso:

Provided, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2, 1949, * * *.

On the basis of this authority, the Administrator has obligated, as of April 2, 1949, virtually the entire appropriation of \$4,000,000,000, together with the \$1,000,000,000 provided for under section 111 (c) (2) of Public Law 472 (80th Cong.) for loans to participating countries on agreed credit terms. The committee is recommending the appropriation of the supplemental request in its entirety.

When the supplemental request for the Economic Cooperation Administration is taken into consideration, the total of appropriations for the current fiscal year, together with that portion of the ECA appropriation applicable to the fourth quarter of fiscal year 1948, for items included in the bill, is \$6,599,000,000, which is \$2,130,530,000 more than the total of \$4,468,470,000 recommended by the committee for the fiscal year 1950.

ECONOMIC COOPERATION

As above indicated, the bill includes two items for economic cooperation in Europe, namely, \$1,074,000,000 for the fourth quarter of the current fiscal year and \$3,568,470,000 for the ensuing fiscal year or a total of \$4,642,470,000 for the 15-month period. When the amount of \$3,568,470,000 recommended for 1950 is compared with the current appropriation allocated on a fiscal year basis, there is reflected a decrease of over 26 percent. The recommended appropriation for the fiscal year 1950 is 15 percent below the budget estimate for that period.

The committee wishes to express its satisfaction with the manner in which this program has been administered since its inception on April 2, 1948, and feels that the country as a whole owes to both Mr. Paul G. Hoffman, the Administrator of the Economic Cooperation Administration, and his able staff a debt of gratitude in this great undertaking. The data supplied to the committee and the assistance rendered by officials of ECA to the committee and the committee staff were characteristic of the businesslike efficiency of the organization. The committee is recommending this appropriation with confidence that it is being properly and efficiently administered and in the sincere belief that the European recovery plan as originally conceived by the former Secretary of State, the Honorable George C. Marshall, can accomplish its purpose within the period provided for in the enabling legislation to the benefit and security of the United States and the world as a whole. Undoubtedly a considerable portion of the credit for the success of the program is attributable to its nature. Previous aid to European and other nations was made generally on the basis of grants with little or no specified responsibility on the part of the recipient country in the economical and efficient distribution and use of that aid within its borders. The aid being provided under the current legislation places primary responsibility on the recipient participating countries, both individually and collectively.

PROGRESS OF EUROPEAN RECOVERY

Much progress has been made to date toward European recovery. Agricultural and industrial production have been steadily rising. Living standards are improving, and morale in Europe generally is higher than at any time since the war ended. Despite these favorable aspects inadequate progress has been demonstrated in certain features of the

program. The aid being extended by the United States is a relatively small but vital factor in the aggregate of what must be produced and accomplished for Europe to become self-supporting by June 30, 1952. The progress made toward recovery up to now is largely attributable to the efforts made by Europeans themselves, and the success or failure to achieve adequate recovery by 1952 will also depend principally upon the efforts made in Europe. Continued aid in declining volume by the United States will, however, be an indispensable factor. It is vital during the coming year that European efforts be maximized, since otherwise American aid cannot be productive of optimum or adequate results.

To this end it is incumbent upon the participating European countries to take prompt and tangible steps in reducing trade barriers. The reduction of tariffs and the elimination of controls, licensing, and other governmental restrictions upon the movement of goods and upon individual business judgment and initiative are vital to economic rehabilitation.

It is essential that fiscal policies of the participating countries be reformed to the extent necessary to stabilize currencies, and that collections of tax levies be enforced so as to support balanced budgets.

The expansion of production, consumption, and trade in Europe and throughout the world must continue during the period of the European recovery program and after it has ended if the objectives of the program are to be realized. It would seem important that care be exercised that any tendencies on the part of participating countries to indulge in uneconomic self-sufficiency are not implemented by the investment of aid funds, or funds contributing to requirements for aid, in inordinately high-cost industrial or agricultural productive facilities.

If the participating nations will strongly encourage their business interests to reduce costs and to make vigorous efforts by utilizing modern marketing techniques to expand sales to hard currency areas, external aid requirements may thereby be reduced.

The committee, therefore, wishes to urge upon the Administrator that while neither this committee nor the Congress has any desire to impose its thoughts and plans, or to interfere with the internal and sovereign affairs of the participating nations, every effort must be exerted to assist western Europe to develop more as an economic unit rather than as a number of smaller, isolated economic entities.

It is appreciated that some progress has been made in the removal of trade barriers and travel of peoples among the participating countries. However, it would seem to the committee that if the program is to be the success originally planned, cooperative efforts to a far greater extent than has been in evidence to this date should be made.

Another matter which the committee desires to call to the attention of the Administrator is that of tourism. The committee is not convinced that sufficient effort is being made by the responsible agencies of this Government to increase tourism in western Europe by providing reasonable and adequate transportation. There undoubtedly are in this country tens of thousands of individuals who are anxious to visit Europe but cannot do so because of present high costs of transportation. Every agency of the Government should bear in mind the fact that this is a program of the United States and

its people rather than a program of the Economic Cooperation Administration. It is recommended that the Maritime Commission make a study as to the feasibility and possibility of converting a number of surplus vessels into one-class accommodations with a view to providing adequate transportation at reasonable cost. It is also urged that the Civil Aeronautics Board make a similar study with the same purpose in view in regard to air transportation. If these arrangements cannot be made under existing legislation, such legislation as may be necessary should be recommended to the Congress. While it is true that at the present time adequate living accommodations are not available in many of the European countries, such accommodations undoubtedly would be constructed provided there was some assurance of reducing cost and restrictions of travel. This increase in tourism would not only provide the necessary dollars to the participating countries, but also would ease the burden on the taxpayer in that a portion of the European dollar shortage would be supplied by those who can afford trips to western Europe.

Too small an appropriation would be disastrous. Less than enough would be worse than nothing as it would result in draining our own resources without compensating return. Such return can only result from continuing the momentum of recovery in the participating countries. It was testified, and the committee concurs, that fiscal year 1950 is the crucial year in this program. Excessive reductions will impair the dollar-earning capacity of the participating countries, resulting in a serious threat to the success of the program, not only in 1950, but in subsequent years as well.

ALLOCATION OF FUNDS

The committee wishes to reiterate the position of the Congress, as expressed in the authorizing legislation, to the effect that this country is not committing itself to furnish any specific amount or any particular commodity to any recipient country. The amount is appropriated as a lump sum to be allocated by the Administrator in such manner as to produce the greatest recovery in all the countries at the minimum cost. Of the amounts contained in the budget estimate for the balance of the current fiscal year, the amount of \$1,062,975,000 is estimated for direct aid and the remainder of \$11,025,000 for other assistance and for administration. Of the amount of \$4,198,200,000 contained in the budget estimate for fiscal year 1950, the amount of \$4,122,200,000 is estimated for direct aid and the remainder of \$76,000,000 for other assistance and administrative purposes.

ASSISTANCE TO GREECE AND TURKEY

The committee has approved an estimate of \$50,000,000 for continued assistance to Greece and Turkey, which is required pending action on the general military-assistance program. The item is best explained in the following excerpt from the President's message transmitting the estimate to Congress:

The Congress has authorized the appropriation of \$675,000,000 for assistance to Greece and Turkey, of which amount \$625,000,000 has already been appropriated. The \$50,000,000 herein requested will complete the appropriation of funds authorized by the Congress.

The additional funds are urgently needed to permit the uninterrupted flow of assistance to Greece and Turkey. Substantial progress has been made in the repression of guerrilla operations in Greece. However, further United States assistance is required to enable the Greek Government to restore internal security, which is essential to rehabilitation and reconstruction. The additional aid for Turkey would further increase the ability of this nation to maintain its territorial integrity and to continue as a stabilizing force in the Near East.

This supplemental estimate of appropriation will be taken into consideration in the recommendation for funds for the military-assistance program, the authorization for which is expected to be submitted to the Congress in the near future.

GOVERNMENT AND RELIEF AND ECONOMIC REHABILITATION IN OCCUPIED AREAS

The budget estimate of \$1,000,000,000 for government and relief in occupied areas (GARIOA), and for economic rehabilitation in Japan and the Ryukyu Islands contemplates an expenditure slightly in excess of \$470,000,000 for bizonal Germany, \$495,000,000 for Japan, approximately \$26,000,000 for the Ryukyus, and \$6,700,000 for Austria. Of the amount of \$495,000,000 requested for Japan, approximately \$116,000,000 would be devoted to economic rehabilitation and approximately \$379,000,000 would be expended for military government and relief expenses designed to prevent starvation, disease, and unrest. The budget estimate of \$1,000,000,000 for GARIOA is approved in the amount of \$850,000,000, a reduction of 15 percent. The requested limitation of \$50,000,000 for administrative expenses is reduced to \$29,750,000, or 3.5 percent of the total appropriation recommended for this activity.

GERMANY

With respect to Germany it should be noted that in addition to the amount to be available from the appropriation for GARIOA to meet United States obligations, as the occupying power, to provide minimum supplies for the civilian population, funds for economic recovery and rehabilitation in Germany are also provided in the general appropriation for the European recovery program. According to present plans the administration of our activities in Germany will undergo a substantial revision about July 1 of the current calendar year. The Department of the Army, under present plans, is expected to transfer its governmental responsibilities in Germany to the State Department and to the ECA. If a German Government can be established as is presently anticipated, it will administer most of the governmental activities now under Army jurisdiction. The authority over economic assistance activities, both those of a relief nature to be financed from the GARIOA appropriation and those of an economic recovery nature to be financed by the ECA appropriation, would be combined.

Encouraging economic recovery in western Germany has been achieved during the past year. From a level of approximately 45 percent of prewar production prevailing about a year ago, production generally is running now at approximately 86 percent of prewar. This achievement has done much to alleviate tense and perhaps dangerous conditions formerly prevailing.

In 1947 German exports totaled \$250,000,000; in 1948 they amounted to \$680,000,000; and in 1949 there is a likelihood that exports will exceed \$1,000,000,000. Notwithstanding this level of exports, western

Germany is still a deficit economy, and continued assistance from the United States is needed if Germany is to become self-supporting and if the European recovery program is to succeed.

JAPAN

Substantial progress has been made since the end of hostilities so that now the industrial index approximates 70 percent compared with the prewar period 1930-34. Coupled with the devastation and disruption of Japanese economy itself is the fact that trade in the Far East has recovered more slowly than that of any other part of the world. Japan's sources of supply for coking coal, iron ore, food, and a wide variety of industrial raw materials continue to be interrupted because of unsettled conditions in the Far East. Rehabilitation is progressing steadily, and military officials anticipate that by a year from now the industrial index will increase to approximately 87 percent of the prewar base period.

Japan is a densely populated area and was never self-sufficient as to food requirements. Its population has been swollen by repatriation of its nationals from colonial areas and the soil has been depleted by the production strains experienced during the war years. Therefore it is necessary to continue to furnish basic supplies including foodstuffs and fertilizer to support the Japanese population in order to prevent disease and unrest.

Apart from this basic program, funds are required for economic rehabilitation, including purchase of industrial raw materials as well as plant rehabilitation, so that Japan's exports may be reconstituted and that Japan may eventually become restored to economic self-support.

The committee is inclined to the conclusion that some of the extensive control and planning activities now being carried on are unnecessary with respect to Japan's recovery and constitute an actual deterrent to recovery. Greater freedom to Japanese initiative and ingenuity should expedite recovery and lessen the burden of expense to the United States.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following legislative provision not heretofore carried in any appropriation bill is recommended:

On page 9, line 14, in connection with National Military Establishment, Government and Relief in Occupied Areas:

Provided further, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned.

COMPARISON OF AMOUNTS IN BILL WITH APPROPRIATIONS FOR 1949 AND ESTIMATES FOR 1950

	Appropriated and recommended, 1949	Amount of budget estimate, 1950	Amount recommended in the bill, 1950	Increase (+) or decrease (-), bill compared with fiscal year 1949	Increase (+) or decrease (-), bill compared with budget estimate
Economic Cooperation Administration (Apr. 3, 1948-Apr. 2, 1949)-----	\$4, 000, 000, 000	-----	-----	-\$4, 000, 000, 000	-----
Public debt transaction under sec. 111 (c) (2), Public Law 472 (80th Cong.), (Apr. 3, 1948-Apr. 2, 1949)-----	11, 000, 000, 000	-----	-----	-1, 000, 000, 000	-----
Supplemental (Apr. 3-June 30, 1949)-----	21, 074, 000, 000	-----	-----	-1, 074, 000, 000	-----
Regular annual (fiscal year 1950)-----	-----	\$4, 198, 200, 000	\$3, 568, 470, 000	+3, 568, 470, 000	-\$629, 730, 000
Assistance to Greece and Turkey-----	225, 000, 000	50, 000, 000	3 50, 000, 000	-175, 000, 000	-----
Government and relief in occupied areas-----	1, 300, 000, 000	1, 000, 000, 000	850, 000, 000	-450, 000, 000	-150, 000, 000
Total (for comparative purposes)-----	6, 599, 000, 000	5, 248, 200, 000	4, 468, 470, 000	-2, 130, 530, 000	-779, 730, 000
Economic Cooperation Administration, fiscal year 1949-----	-----	-----	1, 074, 000, 000	-----	-----
Total in accompanying bill-----	-----	-----	5, 542, 470, 000	-----	-----

¹ Not appropriated funds.² Carried in accompanying bill.³ Made immediately available.

MINORITY VIEWS

The Appropriations Committee this morning reported out the foreign economic aid bill in this form:

To ECA for additional funds for the 15-month period ending June 30, 1949-----	\$1, 074, 000, 000
To ECA for the fiscal year 1950-----	3, 568, 470, 000
To the War Department for government and relief in occupied areas-----	850, 000, 000

The first item of \$1,074,000,000 was the full budget estimate; the second item for ECA for the fiscal year 1950 was \$629,730,000 below the budget estimate; the item for "Government and relief in occupied areas" was reduced from \$1,000,000,000 to \$850,000,000, a cut of \$150,000,000, making total cuts for the bill of \$779,000,000 below the budget.

There was in addition, a cut in the limitation of the amount that could be used for personal services in the "Government and relief in occupied areas" item from \$45,000,000 to \$29,000,000 which is \$21,000,000 below the budget figure. This, however, comes out of the total figure of \$850,000,000 allowed and is not a further reduction in funds. It means that more funds in proportion are available for actual aid rather than the hiring of unnecessary personnel.

According to the first statement which was made to the committee by ECA, the shipments for the 12 months ending April 2, 1949, were \$3,047,000,000 indicating a shipment of \$250,000,000 a month for the first 12 months of their operations. They later changed these figures to \$3,774,000,000 on the basis of estimated shipments as distinguished from actual reports. Which is correct, the minority does not know. The latter figure makes shipments of \$315,000,000 a month.

The over-all figure which the committee has reported would allow shipments of \$310,000,000 a month for 15 months, from April 2, 1949, to June 30, 1950, as there is carried to the ECA an additional \$4,640,000,000 by the bill as reported.

At the present time ECA has a pipe line sufficient to carry them for over 3 months on any basis, and probably for 4 months. That means that if shipments run \$310,000,000 a month for the 15 months ending June 30, 1950, they will still have a pipe line available of \$1,200,000,000 sufficient to carry them to the 1st of October or the 1st of November 1950.

In addition, exports of all these countries have been increasing. As a result, they are able to pay for more imports with their own resources. The situation in each country is going to be that they will have more to do with than they have had, and recovery should proceed at a more rapid pace than in the last 12 months.

Moreover, there is a downward trend in prices on account of which the majority members of the subcommittee recommended a reduction of \$182,000,000, insofar as the ECA item was concerned. This is very conservative when you consider the futures markets for grains and other commodities on the regular exchanges and when you consider

the support prices set for some of our major agricultural crops. It is possible that those savings on account of price reductions could very readily amount to much more.

If the operation were going to wind up on June 30, 1950, we could cut, in addition to what the committee cut, another \$1,000,000,000 without hurting the program at all.

If the participating countries would stabilize their currency on a realistic basis, their exports will immediately increase and they would be able to procure a great many things more than they can at present.

Real progress has been made but if the recovery program is going to be the success that all of us desire, budgets must be balanced, currencies must be stabilized, production must reach a maximum, and the European economy insofar as is practical must be integrated. If results along these lines such as we are led to anticipate in the next fiscal year are in fact realized there should be more than ample funds to meet all stated needs of the participating countries in that year.

The basic concept of the ECA program was based upon mutual aid. It must not be permitted to become one-sided or it will defeat its purpose.

JOHN TABER.

RICHARD B. WIGGLESWORTH.



Union Calendar No. 256

81ST CONGRESS
1ST SESSION

H. R. 4830

[Report No. 657]

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 1949

Mr. GARY, from the Committee on Appropriations, reported the following bill ;
which was committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

A BILL

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,074,000,000, of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That not to exceed \$4,400,000 in the

1 aggregate shall be available from this appropriation and
2 the appropriation under this head in the Foreign Aid Ap-
3 propriation Act, 1949, for administrative expenses during
4 the period April 3, 1949, through June 30, 1949.

5 For expenses necessary to enable the President to carry
6 out the provisions of the Economic Cooperation Act of 1948,
7 as amended by the Act of April 19, 1949 (Public Law 47),
8 for the fiscal year ending June 30, 1950, including expenses
9 of attendance at meetings concerned with the purposes of
10 this appropriation (not to exceed \$30,000); purchase (not
11 to exceed two) and hire of passenger motor vehicles; main-
12 tenance and operation and hire of aircraft; payment of
13 damage claims pursuant to law (28 U. S. C. 2672); health
14 service program as authorized by law (5 U. S. C. 150);
15 rents in the District of Columbia; transportation of privately
16 owned automobiles; entertainment (not to exceed \$25,000);
17 exchange of funds without regard to section 3651 of the
18 Revised Statutes; and loss by exchange; \$3,568,470,000, of
19 which not to exceed \$500,000 shall be available for ex-
20 penditures of a confidential character (other than enter-
21 tainment) under the direction of the Administrator or the
22 Deputy Administrator, who shall make a certificate of the
23 amount of each such expenditure which he may think it
24 advisable not to specify, and every such certificate shall be
25 deemed a sufficient voucher for the amount therein specified:

1 *Provided*, That this appropriation shall be consolidated and
2 merged with appropriations under this head for prior periods,
3 and such consolidated appropriation may be used during
4 the fiscal year 1950 within limitations herein specified:
5 *Provided further*, That not to exceed \$16,500,000 of such
6 consolidated appropriation shall be available for adminis-
7 trative expenses during the fiscal year 1950.

8 ASSISTANCE TO GREECE AND TURKEY

9 For an additional amount for "Assistance to Greece
10 and Turkey", as authorized by the Act of May 22, 1947
11 (61 Stat. 103), as amended and supplemented, to be avail-
12 able immediately, \$50,000,000, which, together with the
13 amounts heretofore appropriated under this head, shall re-
14 main available until June 30, 1950; and the existing
15 limitation under this head in the Foreign Aid Appropria-
16 tion Act, 1949, on the amount available for administrative
17 expenses, shall continue in effect; and the existing limita-
18 tion under said head on the amount available for such
19 expenses in the District of Columbia is increased from
20 "\$400,000" to "\$425,000": *Provided*, That said limitations
21 shall apply only to the administrative expenses of the
22 Department of State.

1 NATIONAL MILITARY ESTABLISHMENT

2 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

3 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

4 For expenses, not otherwise provided for, necessary to
5 meet the responsibilities and obligations of the United States
6 in connection with the government or occupation of certain
7 foreign areas, including personal services in the District of
8 Columbia and elsewhere and, subject to such authorizations
9 and limitations as may be prescribed by the head of the
10 department or agency concerned, tuition, personal allow-
11 ances (not to exceed \$10 per day), travel expenses (not
12 to exceed those authorized for like United States military
13 or civilian personnel), and fees incident to instruction in
14 the United States or elsewhere of such persons as may be
15 required to carry out the provisions of this appropriation;
16 travel expenses and transportation; services as authorized
17 by section 15 of the Act of August 2, 1946 (5 U. S. C.
18 55a), at rates not in excess of \$50 per diem for individuals;
19 health service program as authorized by law (5 U. S. C.
20 150); payment of claims pursuant to law (28 U. S. C.
21 2672); translation rights, photographic work, educational

1 exhibits, and dissemination of information, including preview
2 and review expenses incident thereto; expenses incident to
3 the operation of schools for American children; printing
4 and binding; purchase and hire of passenger motor vehicles
5 and aircraft; repair and maintenance of buildings, utilities,
6 facilities, and appurtenances; contingencies for the United
7 States commanders, commissioners, or other administrators
8 of foreign areas, to be expended in their respective discre-
9 tions (not exceeding amounts authorized or approved by
10 the head of the department or agency concerned); such
11 minimum supplies for the civilian populations of such areas
12 as may be essential to prevent starvation, disease, or unrest,
13 prejudicial to the objectives sought to be accomplished;
14 and such supplies, commodities, and equipment as may be
15 essential to carry out the purposes of this appropriation;
16 \$850,000,000, of which not to exceed \$29,750,000 shall
17 be available for administrative expenses: *Provided*, That the
18 general provisions of the appropriation Act for the fiscal
19 year 1950 for the military functions of the Department of
20 the Army shall apply to expenditures made by that Depart-
21 ment from this appropriation: *Provided further*, That ex-
22 penditures from this appropriation may be made outside
23 continental United States, when necessary to carry out its
24 purposes, without regard to sections 355, 1136, 3648, and
25 3734, Revised Statutes, as amended, civil service or classifi-

1 cation laws, or provisions of law prohibiting payment of
2 any person not a citizen of the United States: *Provided*
3 *further*, That expenditures from this appropriation may be
4 made, when necessary to carry out its purposes, without
5 regard to section 3709, Revised Statutes, as amended, and
6 the Armed Services Procurement Act of 1947 (Public
7 Law 413, Eightieth Congress): *Provided further*, That
8 expenditures may be made hereunder for the purposes of
9 economic rehabilitation in the occupied areas in such manner
10 as to be consistent with the general objectives of the Eco-
11 nomic Cooperation Act of 1948, as amended: *Provided*
12 *further*, That funds appropriated hereunder and unexpended
13 at the time of the termination of occupation by the United
14 States, of any area for which such funds are made available,
15 may be expended by the President for the procurement of
16 such commodities and technical services, and commodities
17 procured from funds herein or heretofore appropriated for
18 government and relief in occupied areas and not delivered
19 to such an area prior to the time of the termination of
20 occupation, may be utilized by the President, as may be
21 necessary to assist in the maintenance of the political and
22 economic stability of such areas: *Provided further*, That
23 before any such assistance is made available, an agreement
24 shall be entered into between the United States and the
25 recognized government or authority with respect to such

1 area containing such undertakings by such government or
2 authority as the President may determine to be necessary
3 in order to assure the efficient use of such assistance in
4 furtherance of such purposes: *Provided further*, That such
5 agreement shall, when applicable, include requirements and
6 undertakings corresponding to the requirements and under-
7 takings specified in sections 5, 6, and 7 of the Foreign Aid
8 Act of 1947 (Public Law 389, approved December 17,
9 1947): *Provided further*, That service of an individual
10 rendered under this appropriation as an expert, consultant,
11 adviser, or technician shall not be considered as service or
12 employment bringing such individual within the provisions
13 of sections 281 or 283 of title 18, United States Code, of
14 section 190, Revised Statutes (5 U. S. C. 99), or of
15 section 19 (e) of the Contract Settlement Act of 1944, or
16 of any other Federal law imposing restrictions, requirements,
17 or penalties in relation to the employment of persons, the
18 performance of services, or the payment or receipt of com-
19 pensation in connection with any claim, proceeding, or
20 matter involving the United States: *Provided further*, That
21 funds appropriated hereunder may be used, insofar as prac-
22 ticable, and under such rules and regulations as may be
23 prescribed by the head of the department or agency con-
24 cerned, to pay ocean transportation charges from United
25 States ports, including territorial ports, to ports in Japan

1 and the Ryukyus for the movement of supplies donated to,
2 or purchased by, United States voluntary nonprofit relief
3 agencies registered with and recommended by the Advisory
4 Committee on Voluntary Foreign Aid or of relief packages
5 consigned to individuals residing in such countries: *Pro-*
6 *vided further*, That under the rules and regulations to be
7 prescribed, the head of the department or agency concerned
8 shall fix and pay a uniform rate per pound for the ocean
9 transportation of all relief packages of food or other general
10 classification of commodities shipped to Japan or the
11 Ryukyus regardless of methods of shipment and higher rates
12 charged by particular agencies of transportation, but this
13 proviso shall not apply to shipments made by individuals
14 to individuals: *Provided further*, That the President may
15 transfer to any other department or agency any function or
16 functions provided for under this appropriation, and there
17 shall be transferred to any such department or agency such
18 unobligated balances of this appropriation and, without reim-
19 bursement and without regard to the appropriation from
20 which procured, such property as the Director of the Bureau
21 of the Budget shall determine to relate primarily to any
22 function or functions so transferred; and any funds so trans-
23 ferred may be expended either under the authority contained
24 herein or under the authority governing the activities of
25 the department or agency concerned.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the

1 United States by force or violence and accepts employment
2 the salary or wages for which are paid from any appropria-
3 tion contained in this Act shall be guilty of a felony and,
4 upon conviction, shall be fined not more than \$1,000 or
5 imprisoned for not more than one year, or both: *Provided*
6 *further*, That the above penalty clause shall be in addition
7 to, and not in substitution for, any other provisions of existing
8 law.

9 SEC. 202. This Act may be cited as the “Foreign Aid
10 Appropriation Act, 1950”.

81ST CONGRESS
1ST Session

H. R. 4830

[Report No. 657]

A BILL

Making appropriations for foreign aid for the
fiscal year ending June 30, 1950, and for other
purposes.

By Mr. GARY

MAY 23, 1949

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

WAIVING POINTS OF ORDER ON H. R. 4830

MAY 25, 1949.—Referred to the House Calendar and ordered to be printed

Mr. SMITH of Virginia, from the Committee on Rules, submitted
the following

REPORT

[To accompany H. Res. 228]

The Committee on Rules, having had under consideration House Resolution 228, report the same to the House with the recommendation that the resolution do pass.



81ST CONGRESS
1ST SESSION

H. RES. 228

[Report No. 679]

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 1949

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That during the consideration of the bill
2 (H. R. 4830) making appropriations for foreign aid for
3 the fiscal year ending June 30, 1950, and for other purposes,
4 it shall be in order to consider without the intervention of
5 any point of order the following amendment:
6 “On page 4, line 7, strike out the period, insert a colon,
7 and the following: ‘*Provided further*, That the entire amount
8 may be apportioned for obligation or may be obligated and
9 expended, if the President after recommendation by the
10 Administrator deems such action necessary to carry out the
11 purposes of said Act during the period ending May 15,
12 1950’.”

House Calendar No. 69

81ST CONGRESS
1ST SESSION

H. RES. 228

[Report No. 679]

RESOLUTION

Providing for the waiving of points of order on the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

By Mr. SMITH of Virginia

MAY 25, 1949

Referred to the House Calendar and ordered to be printed

House of Representatives

THURSDAY, MAY 26, 1949

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God our Father, if we have taken our daily bread and it brought us no message; if we have enjoyed a night's rest and we are not grateful; if we have had happiness and have failed to see Thee, O Lord, forgive us and open our eyes.

May we see Thee in the creation, the preservation, and the redemption of the great wide world. May we know Thee in the nearness and sanctity of true friendship. Glory be to Thy holy name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 4392) entitled "An act to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. GREEN, and Mr. LODGE to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 49-13.

POMONA STATION, POMONA, CALIF.

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3003) to transfer Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain the bill?

Mr. WHITE of California. I will be glad to.

Mr. Speaker, this bill provides for the return of a piece of property to the W. K. Kellogg Foundation, of Battle Creek, Mich., which property was turned over to the Government during the war for a remount station and for the breeding of Arabian horses. Under the bill it will be turned back to the Kellogg Foundation, and the property used for educational and benevolent purposes only under the terms of a trust.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to transfer and convey to the W. K. Kellogg Foundation, Inc., without cost, the real property, comprising 812 acres, more or less, of the Agriculture Remount Station at Pomona, Calif., which was conveyed to the United States acting through the War Department (now Department of the Army) by W. K. Kellogg and subsequently transferred to the Department of Agriculture pursuant to the act of April 21, 1948 (62 Stat. 197), and such of the personal property of this station as may be agreed upon, in writing, by the Secretary of Agriculture and the W. K. Kellogg Foundation, Inc.

With the following committee amendments:

Page 1, line 7, after "which", insert "tract, originally in the ownership of W. K. Kellogg."
Page 1, line 10, strike out "by W. K. Kellogg."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 969) to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to transfer and convey to the W. K. Kellogg Foundation, Inc., without cost, the real property, comprising 812 acres, more or less, of the Agriculture Remount Station at Pomona, Calif., which tract, originally in the ownership of W. K. Kellogg, was conveyed to the United States acting through the War Department (now Department of the Army) and

subsequently transferred to the Department of Agriculture pursuant to the act of April 21, 1948 (62 Stat. 197), and such of the personal property of this station as may be agreed upon, in writing, by the Secretary of Agriculture and the W. K. Kellogg Foundation, Inc.

Mr. WHITE of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of California: Strike out all after the enacting clause and insert in lieu thereof the provisions of H. R. 3003 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings by which H. R. 3003 was passed were vacated, and the bill laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA TAX BILL

The SPEAKER. The unfinished business is the conference report on the bill (H. R. 3704) to provide additional revenue for the District of Columbia, on which the previous question was ordered on last Tuesday.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. BIEMILLER) there were—ayes 29, noes 15.

Mr. BIEMILLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 184, nays 152, not voting 95, as follows:

[Roll No. 105]

YEAS—184

Abbt	Barden	Bosone
Abernethy	Barrett, Wyo.	Boykin
Albert	Bates, Mass.	Bramblett
Allen, Calif.	Battle	Breen
Allen, Ill.	Beall	Brown, Ga.
Anderson, Calif.	Bennett, Mich.	Brown, Ohio
Andresen	Bentsen	Bryson
August H.	Bishop	Burleson
Andrews	Blackney	Burton
Arends	Boggs, La.	Byrne, N. Y.
Aspinall	Bolton, Ohio	Byrnes, Wis.
Auchincloss	Bonner	Camp

Carlyle	Hope	Pickett
Carnahan	Jackson, Calif.	Polk
Case, S. Dak.	James	Poulson
Church	Jenison	Preston
Cole, Kans.	Jensen	Rankin
Cole, N. Y.	Johnson	Redden
Coolley	Jones, Ala.	Reed, Ill.
Cotton	Kean	Reed, N. Y.
Coudert	Kearns	Rees
Curtis	Kerr	Rich
Dague	Kilburn	Rivers
Davis, Ga.	Kilday	Rogers, Fla.
Davis, Tenn.	Larcade	Sadiak
DeGraffenried	Latham	St. George
Dondero	LeCompte	Sasscer
Doughton	LeFevre	Scott
Durham	Lind	Hugh D., Jr.
Eaton	Lodge	Scribner
Elliott	Lovre	Scudder
Ellsworth	Lucas	Sikes
Elston	McConnell	Simpson, Ill.
Engel, Mich.	McCormack	Simpson, Pa.
Fallon	McCulloch	Smith, Kans.
Fenton	McGregor	Smith, Va.
Fernandez	McKinnon	Stead
Fisher	McMillan, S. C.	Stefan
Ford	McMillen, Ill.	Stigler
Fugate	Mack, Wash.	Sutton
Garmatz	Magee	Taber
Gary	Mahon	Tackett
Gavin	Marsalis	Teague
Gillette	Martin, Iowa	Thompson
Goodwin	Martin, Mass.	Trimble
Gossett	Morrow	Vinson
Graham	Meyer	Vorys
Gwinn	Michener	Welch, Mo.
Hale	Miles	Werdel
Hall	Miller, Md.	Wheeler
Leonard W.	Miller, Nebr.	White, Idaho
Halleck	Mills	Whitten
Harden	Monroney	Whittington
Hardy	Morris	Wickersham
Hare	Morton	Wigglesworth
Harris	Nicholson	Williams
Harrison	Nixon	Willis
Hays, Ark.	Norrell	Wilson, Ind.
Hedrick	Norton	Wilson, Okla.
Herter	O'Hara, Minn.	Wilson, Tex.
Hobbs	Passman	Winstead
Hoffman, Mich.	Peterson	
Holmes	Phillips, Calif.	

NAYS—152

Addonizio	Granahan	Murdock
Allen, La.	Granger	Murray, Wis.
Andersen,	Green	Noland
H. Carl	Gregory	Norblad
Angell	Hagen	O'Brien, Ill.
Bailey	Hand	O'Brien, Mich.
Baring	Hart	O'Hara, Ill.
Barrett, Pa.	Harvey	O'Konski
Beckworth	Havener	O'Sullivan
Bennett, Fla.	Hays, Ohio	O'Toole
Biemiller	Heffernan	Pace
Blatnik	Heller	Patten
Boggs, Del.	Heseltan	Perkins
Bolling	Hill	Philbin
Brooks	Holifield	Poage
Buckley, Ill.	Howell	Price
Burdick	Huber	Rabaut
Burke	Irving	Ramsay
Canfield	Jackson, Wash.	Rhodes
Cannon	Jacobs	Ribicoff
Carroll	Judd	Rodino
Cavalcante	Karst	Rooney
Celler	Karsten	Sadowski
Chelf	Keating	Sanborn
Chesney	Kelley	Scott, Hardie
Christopher	Kennedy	Seest
Chudoff	Keogh	Shafer
Cooper	King	Sheppard
Corbett	Kirwan	Sims
Crawford	Kruse	Spence
Crook	Kunkel	Staggers
Crosser	Lane	Sullivan
Davis, Wis.	Lemke	Tauriello
Dawson	Lesinski	Thomas, Tex.
Delaney	Linehan	Thornberry
Denton	Lynch	Tollefson
Dollinger	McCarthy	Towe
Donohue	McDonough	Underwood
Douglas	McGrath	Van Zandt
Doyle	McGuire	Wagner
Eberharter	Mack, Ill.	Walter
Engle, Calif.	Madden	Welch
Flood	Mansfield	Welch, Calif.
Fogarty	Marcantonio	White, Calif.
Forand	Marshall	Wier
Frazier	Mason	Withrow
Furcolo	Miller, Calif.	Wolverton
Gordon	Mitchell	Woodhouse
Gore	Morgan	Yates
Gorski, Ill.	Morrison	Young
Gorski, N. Y.	Multer	Zablocki

NOT VOTING—95

Bates, Ky.	Hall	Pfeiffer,
Bland	Edwin Arthur	William L.
Bolton, Md.	Hébert	Phillips, Tenn.
Brehm	Herlong	Plumley
Buchanan	Hinshaw	Potter
Buckley, N. Y.	Hoeven	Powell
Bulwinkle	Hoffman, Ill.	Priest
Burnside	Horan	Quinn
Casc, N. J.	Hull	Rains
Chatham	Javits	Regan
Chiperfield	Jenkins	Richards
Clemente	Jennings	Riehlman
Clevenger	Jonas	Rogers, Mass.
Colmer	Jones, Mo.	Sabath
Combs	Jones, N. C.	Short
Cox	Kearney	Smathers
Cunningham	Kee	Smith, Ohio
Davenport	Keefe	Smith, Wis.
Davies, N. Y.	Klein	Stanley
Deane	Lanham	Stockman
D'Ewart	Lichtenwalter	Talle
Dingell	Lyle	Taylor
Dolliver	McSweeney	Thomas, N. J.
Evins	Macy	Velde
Feighan	Moulder	Vursell
Fellows	Murphy	Wadsworth
Fulton	Murray, Tenn.	Walsh
Gamble	Nelson	Whitaker
Gathings	O'Neill	Wolcott
Gilmer	Patman	Wood
Golden	Patterson	Woodruff
Grant	Pfeifer	Worley
Gross	Joseph L.	

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote:

Mr. Macy for, with Mr. Hull against.
Mr. Jones of Missouri for, with Mr. Buchanan against.
Mr. Grant for, with Mr. Smathers against.
Mr. Gilmer for, with Mr. Feighan against.
Mr. Quinn for, with Mr. Powell against.

General pairs until further notice:

Mr. Davenport with Mr. Dolliver.
Mr. Dingell with Mr. Wolcott.
Mr. Bulwinkle with Mr. Lichtenwalter.
Mr. Priest with Mr. Brehm.
Mr. O'Neill with Mr. Case of New Jersey.
Mr. Hébert with Mr. Hoeven.
Mr. Buckley of New York with Mr. Golden.
Mr. Klein with Mr. Gamble.
Mr. Lanham with Mr. Taylor.
Mr. Stanley with Mr. Short.
Mr. Wood with Mr. Patterson.
Mr. Cox with Mr. Chiperfield.
Mr. Whitaker with Mr. D'Ewart.
Mr. McSweeney with Mr. Horan.
Mr. Deane with Mr. Jennings.
Mr. Evins with Mr. Jonas.
Mr. Clemente with Mr. Plumley.
Mr. Bolton of Maryland with Mr. Wadsworth.
Mr. Colmer with Mr. Woodruff.
Mr. Burnside with Mr. Cunningham.
Mr. Gathings with Mr. Keefe.
Mr. Rains with Mr. Riehlman.
Mr. Richards with Mr. Smith of Ohio.
Mr. Walsh with Mr. Smith of Wisconsin.
Mr. Sabath with Mr. Gross.
Mr. Worley with Mr. Edwin A. Hall.
Mr. Murphy with Mr. Hoffman of Illinois.
Mr. Davies of New York with Mr. Jenkins.
Mr. Chatham with Mr. Kearney.
Mr. Kee with Mr. Potter.
Mr. Lyle with Mr. Fulton.
Mr. Moulder with Mr. Fellows.
Mr. Joseph L. Pfeiffer with William L. Pfeiffer.
Mr. Patman with Mr. Stockman.
Mr. Bland with Mr. Vursell.
Mr. Bates of Kentucky with Mr. Velde.
Mr. Jones of North Carolina with Mrs. Rogers of Massachusetts.
Mr. Murray of Tennessee with Mr. Hinshaw.
Mr. Regan with Mr. Nelson.
Mr. Herlong with Mr. Talle.
Mr. Combs with Mr. Phillips of Tennessee.
Mr. O'TOOLE changed his vote from "yea" to "nay."

Mr. KERR changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

COMMITTEE ON ARMED SERVICES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that the Subcommittee of the Committee on Armed Services investigating post exchanges be permitted to sit during the session of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FOREIGN AID APPROPRIATION BILL, 1950

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 228 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, it shall be in order to consider without the intervention of the any point of order the following amendment:

"On page 4, line 7, strike out the period, insert a colon, and the following: 'Provided further, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending May 15, 1950.'"

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time on this side, and I will be the only Member to speak on the rule on our side. I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

THE ORIENTAL FRUITFLY SHOULD BE ERADICATED NOW

Mr. ANGELL. Mr. Speaker, a major problem is facing the Hawaiian Islands in devastation caused by the oriental fruitfly, discovered in June 1946. It is my information that it has made alarming advances in that time and everything possible should be done to eradicate the pest in the islands and to take every precautionary measure to prevent this infestation from reaching the mainland of the United States. We on the Pacific coast, in which we have a highly developed fruit-growing industry, which is one of our major assets, are situated in an area which could easily become infected by this pest reaching the mainland from the many airplanes flying back and forth between the islands and the Pacific coast. It has been found that this pest attacks not only citrus fruit but all fruit and is highly destructive.

I urge speedy action in providing the necessary funds to control and eradicate the pest.

I include as part of these remarks a letter I received today from Paulus Bros. Packing Co., of Salem, Oreg., under May 18, 1949, calling attention to the

seriousness of the problem and urging effective steps to meet it. This company is one of the major fruit and vegetable packers in the Northwest. The letter follows:

PAULUS BROS. PACKING CO.,
Salem, Oreg., May 18, 1949.

Representative HOMER ANGELL,
Washington, D. C.

DEAR REPRESENTATIVE ANGELL: They are having a lot of trouble in Hawaii with the oriental fruitfly. Since its discovery in June 1946, it has made such rapid progress that fruit growers there are very alarmed and have asked an appropriation of \$2,000,000 from Congress to control and eradicate this pest. The request has been broken down into six separate items, as follows:

A. Two hundred and fifty thousand dollars to expand the quest of parasites destructive to fruitfly pests, now in progress in the western Pacific area, India, and South Africa, it being apparent that if success is to be achieved by this biological control method, early progress will be more assured by increasing facilities of these missions.

B. One hundred and fifty thousand dollars to studies of biology and ecology of fruitfly pests, since comparatively little is known of how the oriental fruitfly lives and responds to different conditions. Such information, of course, is vital to control and eradicate it wherever it may appear.

C. Five hundred thousand dollars to study of sterilization and fumigation of fruits, vegetables, and flowers. There is a wide area of unexplored possibilities for scientists with adequate laboratory equipment. Development of successful methods will stand for years to come as a vital safeguard to all agricultural areas threatened by such pests.

D. Five hundred thousand dollars to intensive studies of methods of area treatments and controls, such as spraying from aircraft, uses of chemicals, and eradication of host plants, inasmuch as such controls will be immediately needed should such a pest appear in any area in continental United States unprotected by ocean barriers.

E. Two hundred and fifty thousand dollars to intensive development and testing of new insecticides, since there are already thousands of new chemical products of laboratories developed during the war which have yet to be properly tested against these specific insects under various conditions.

F. Three hundred and fifty thousand dollars to research in disinsectizing materials and procedures on local and global common carriers, since rapid development of air travel has brought all continents within a few hours of each other.

With modern transportation as rapid as it is, it would be simple for the Pacific Coast States to become infected with the same pest. California is already fighting the possibility of the Mediterranean fruitfly coming in through fruits and has men stationed at its borders to inspect every automobile entering the State for fruit which might carry this pest. Fruit orchards of the Pacific coast are so valuable that we cannot afford to run the risk of infection.

We have gone over this program for the study and eradication of the oriental fruitfly and feel the amounts requested for the different phases of work are not excessive. This pest affects not only fruit but also vegetables and flowers.

We are very interested in seeing the danger of immigration of this trouble removed, and therefore would appreciate any help you might give.

With kindest personal regards, we are,

Yours truly,

PAULUS BROS. PACKING CO.
ROBERT C. PAULUS.

(Mr. ANGELL asked and was given permission to revise and extend his remarks and include a letter.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, it takes a great deal of nerve to stand up in the well of the House and talk to a Congress which seems to have in mind giving America away to foreign countries. It seems as if the majority of the Members are in favor of such a thing. I am not one of those. I am a Member who is interested in America first, last and all the time. I am going to stand in the well of the House and fight for America until there is nothing left of "Bob" RICH.

"Bob" RICH is just going to use every ounce of energy he has to try to convince the Members of Congress that this business of squandering the American taxpayers' dollars and taking the American people further and further into debt, as each day goes by, is eventually going to bring us to bankruptcy. I do not propose to encourage that.

Mr. Speaker, I picked up the Treasury statement of May 20, and I find that the excess of expenditures over receipts for this year, which will close very shortly, in about 30 days, is \$2,895,654,019.45. We have a national debt of over \$250,000,000,000. It is about time that we took a little inventory of our resources. It is about time that we took a little inventory of our ability to look after the affairs of our Nation if we intend to be a solvent, solid, sound, and going country like it was when you came into it. Remember that you Members are going to leave this country very shortly to your children and your grandchildren. How are they going to carry the responsibilities that you have heaped upon them by this great national debt which you have incurred in the last 15 years? How are they going to be able to survive? Are they going to be able to have the same opportunities that you had, or are they going to have a yoke around their necks so that they will not be able to carry on at all?

Mr. Speaker, I asked for this 5 minutes on the rule because it seems to me as if nobody is going to talk about it, and it seems as if it is the intention to let the thing come in easy, pass this bill for five or six billion dollars, and then slide out easy. But I have been working on a few of the things that we are doing under ECA, and I will give them to you when we come to the consideration of the bill. But you are on the rule now. Give them the rule. Let them talk it over. But, are you not going to stand here and let a few of the Members of the House try to cut this appropriation down? There is the gentleman from New York [Mr. TABER]. I have no doubt that he will be working hard to try to cut the amount down. There ought to be 250 Members trying to cut down Government expenses, and trying to cut down and economize in every other way possible. You have your taxpayers back home hollering at you and saying that they want less taxes, and

that they want more opportunity to have more privileges for ourselves and our children. Yet we have many people saying that they want the Federal Government to look after them and they want the Federal Government to give them more so that they will not have to work. I believe in work and earn and save. It is only because of the great opportunities that have existed heretofore that America has afforded that America has become great. But, if you are going to assume all the burdens of all the countries all over the world, then I say "look out, America." It may be someday that we will not have any America. We will go by the board with a lot of other countries, because communism is running just as rampant in this country as it is in lots of these foreign countries. Stop communism here. Stop wrecking our own economy. We are no good to ourselves or to anybody when we are not solvent.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from New Jersey such time as he may desire.

Mr. HAND. Mr. Speaker, even in its reduced amount, I am still unable to support the pending bill appropriating additional billions for the foreign-assistance program.

Former President Hoover once referred to national prohibition as an experiment noble in purpose. It is only fair to say that the purpose of the foreign-assistance program is "noble in purpose." But it is my view that it is both impractical and unnecessary.

What the proponents of the bill overlook completely is that when the Marshall plan was first proposed, and before we had appropriated a dollar to implement it, many of the nations of western Europe had already achieved, in both industrial and agricultural production, a standard which was roughly equal to their production immediately before the war. Do not make the mistake of thinking that this program is designed to restore Europe to its prewar standards; it is, rather, to increase their standards of living and production far beyond that which existed immediately before the war.

There are many who will be shocked by this statement, but it is quite factual, and the basis for it may be found in the committee reports advocating the original adoption of this far-flung, and exceedingly expensive expensive scheme.

Now, Mr. Speaker, it is entirely a desirable objective to increase the standards of European production and living until they equal our own, but the point that I raise is that we have not the slightest moral right to do this with the money of the American taxpayer, and I gravely doubt if we have the constitutional right to do it. The Federal Government is one of limited powers; the Congress can only do those things which are expressly or implicitly authorized. And I am certainly unaware of any authority in the Constitution to spend Federal revenues for the purpose of increasing living standards all over the world.

I call to your attention, also, that this dangerous theory will be expanded. The President, in his inaugural address in January 1949, spoke very clearly of the extension of this principle to help all the rest of the world. Indeed, we have come to a point where we insist on giving our money away regardless of need, and sometimes without even a request for it.

Mr. Speaker, what we do under this program sometimes leads to remarkable results. For example, we all agree that the Navy of the United States is not only the most powerful in the world, but more powerful than all the navies of the world combined. The second greatest Navy is that of our ally and friend, Great Britain. There just is not a naval threat to this country or to Great Britain, or to the Europe that we propose to support by the North Atlantic Treaty. It was for this reason, as well as in the interest of some sane economy, that the Secretary of Defense, Mr. Louis Johnson, recently canceled plans to build a huge aircraft carrier to add to our already impregnable fleet. I say that we did this because we did not need it, and could not very well afford it. Notwithstanding these facts, the world press recently announced that Great Britain, the principal beneficiary of foreign-assistance funds, and who drains billions of our dollars for its own interests and socialistic enterprises, has announced the building, for its navy, of eight new aircraft carriers. If this makes sense, I would like it explained to me in words of one syllable by some of the proponents of this bill.

GREEK-TURKEY AID

I have referred to the Marshall plan as at least an experiment noble in purpose; that cannot be said of the program of assistance to Greece and Turkey. That, in its very conception, was an imperialistic doctrine in which the United States assumed the right to insist upon governments and policies all over the world which meet with its approval, and insisted that no government should exist which did not meet with its approval. When President Truman first suggested such a course to the Congress and stated that it was our duty to everywhere support democracies by cash and probably by force of arms, and referred to Greece and Turkey as democracies, I could hardly believe that he was serious. Neither country has ever been a democracy as we understand the meaning of the term. Moreover, quite frankly, it is none of our business to dictate to them the character of their Government; and it was a little difficult to understand why Greece and Turkey, alone, were selected.

On May 7, 1947, in a speech to the House of Representatives on this question, I said:

If the President thinks that the United States has the moral duty, or even the moral right, to interfere with all governments that are not democracies, he might have also mentioned most of the rest of the world; not just Iran, but Iraq, Egypt, India, Korea. He might have mentioned the communistic threat of Togilatti in Italy, of Thorez in France. He could have referred to the totalitarian Franco in Spain, and, closer to home, Argentina and Chile are not conspicuous adherents to the form of government that we in America prefer.

Further in the same speech I said:

There should be no misunderstanding of the Truman doctrine. The President was frank about it. Summed up, it is this:

"I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

"I believe that we must assist free peoples to work out their own destinies in their own way."

I cannot bring myself to believe any such thing. I do not believe we have either the duty or the right to interfere with the internal affairs of foreign nations throughout the globe.

It is this imperialistic and dangerous theory to which we have already subscribed hundreds of millions, if not billions, and are now asked to further support, perhaps indefinitely.

Moreover, Mr. Speaker, those hundreds of millions have been largely wasted. It was the assumption that this aid to Greece would stop the few thousand guerrillas who were then terrifying the entire Greek Army. If you think the plan has worked, I beg you to read the President's reports to Congress on the progress of Greek aid, all of which I have examined with care. In his sixth report to the Congress for the period ending December 31, 1948, which is the latest the State Department has available for us, you will find that the President says, among other things, that—

After weeks of inconclusive fighting and increasing guerrilla activity in other areas, Greek Army efforts in Vitsi slackened, and by the end of November the campaign was reduced to a holding operation. (P. 4, Sixth Report to Congress on Assistance to Greece and Turkey.)

Please bear in mind, Mr. Speaker, that this is the situation after about 2 years of the ceaseless pouring of American money into the Greek economy and Greek Army. The President goes on to say:

No major offensive actions were undertaken by the Greek Army during the period under review.

And again:

During December the guerrillas demonstrated a capacity to mount attacks in force against medium-sized towns in central and northern Greece.

They captured thousands of people to replace their own losses, and engaged in a considerable campaign of destruction.

Every report made by the President is to the same general effect, and the inescapable conclusion is that the plan just is not working.

Mr. Speaker, I am reluctant to continue stubbornly fighting against this program, which seems to get at least lip service from a considerable majority of the House.

The truth is, the program would not get 50 votes if it were not attractively presented as an effective movement for containing communism. I loath and despise communism, both with respect to its political theories, and economic theories. I support with all my strength, and always shall, our political democracy and our economic system of private enterprise; but anybody who has observed with care world events in the last 4 years will certainly conclude that this is not an effective means of combating

communism. It must be clear now that we are on the wrong track.

However, I am content to follow the dictates of my conscience and to act in accordance with my extensive study of the entire program. I cannot stop what is being done, but I can at least raise my voice in warning, and I shall be content with the ultimate verdict of history as to whether our present proceedings were statesmanship of high order, or as I believe, dangerous nonsense.

(Mr. HAND asked and was given permission to revise and extend his remarks.)

(Mr. HAND asked and was given permission to extend his own remarks in the Appendix of the RECORD.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, one of our solemn obligations as Members of Congress is to maintain at all times an adequate national defense. Each of us is under oath to support and defend the Constitution, and our country, against all enemies, foreign and domestic. In addition, we have an obligation to those who make up our armed forces in times of emergency, that they will be equipped with the finest weapons of modern warfare that dollars and cents can buy.

It is because I regard this obligation so keenly that yesterday I introduced House Resolution 227 providing for an investigation of the military aircraft-procurement program.

These are perilous times—times in which the preservation of peace depends upon our readiness for war if war must come.

Twice, first in 1917 and again in 1941, I served in the armed forces for my country. I think I know the importance of an alert readiness for a national emergency. Everyone knows that the American taxpayers, groaning under an almost unbearable burden of charges for the national defense, foreign relief, and domestic programs, need now more than ever before to be doubly sure that their money is not being wasted, that they are getting a dollar's worth of defense for every dollar of taxes paid.

Right now, I am not sure that they can be confident that this is the case.

Ugly, disturbing reports are beginning to circulate through the Congress and through Washington. They have come to me from New York and from other cities. I am confident that I am not the only Member of Congress who has heard these reports.

I say that the seriousness of their nature, the insistence with which they are going the rounds, the vigor and confidence with which they are asserted, imperatively demand that this Congress set up an unbiased House committee to make a full and complete investigation.

There may be some who will cry "politics" at my suggestion. I deny here and now, with every emphasis possible, that there is any politics at all involved. My record on national defense speaks for itself. It has, for years, been the record of both the Republican and Democratic Parties that when it came to the

national defense and to international policy, politics was permanently adjourned.

While I know it is customary to give the author of an investigating resolution chairmanship of an investigating committee, I renounce any traditional claims for myself.

My old friend, Louis Johnson, the Secretary of National Defense, should particularly welcome this inquiry. Inasmuch as his name is deeply involved in the reports, he should wish to clear it. Officers of the Army, Navy, and Air Force should welcome the investigation. Their stake is a million miles from politics.

The administration should welcome the inquiry. If the reports are ill-founded, it should be glad to accept a device which, through an unbiased inquiry, will dispose of them for all time. If they are correct, then the American people have an absolute, undeniable, God-given right to know the truth and to expect their Congress to take drastic action.

My proposal is simply this: That the House set up a committee of five members each from the House to investigate all phases of the qualities of various military aircraft; all circumstances and facts involved in the cancellation of some contracts, the enlargement of others; the connections of the Honorable Louis Johnson, Secretary of Defense, and the Honorable Stuart Symington, Secretary for Air, past or present, direct or indirect, with these companies; and the 1948 political campaign contributions that may have been made by these companies or their officers.

These disturbing reports—and to me they are only reports until they are investigated—revolve around the associations of Mr. Symington and Mr. Johnson with Mr. Floyd Odlum of the gigantic Atlas Corp., a super holding company.

It is reported that Mr. Symington is a frequent week-end visitor at the Palm Springs, Calif., ranch home of Mr. Odlum and his wife, the former Jacqueline Cochrane; that the logbook of the "Dew-drop" plane, which Mr. Symington uses as his personal aircraft, will record many visits to Palm Springs. This in itself is nothing. Against a background of other facts it provides food for thought.

In 1947, the Consolidated Vultee Aircraft Corp. held contracts for 100 B-36 bombers. At that time there was considerable doubt as to whether the contracts would ever be fully validated. A reading of the hearings on the 1949 Air Force appropriations discloses that in early 1948, it was actually planned to cut back these contracts. The Air Force was asking instead for B-50's and B-54's. In 1947, Victor Emanuel, who then controlled Convair through his Aviation Corp. (AVCO), considered selling Consolidated to the Lockheed Aircraft Corp. The Securities and Exchange Commission would not approve the sale.

Late in 1947, Mr. Odlum, through Atlas, acquired control of Consolidated, and became chairman. A few months later, in January, the Air Force prepared a directive canceling production of the

B-36. Air Force studies in early 1948 indicated that the B-36 was not suitable, and Gen. Lauris Norstad so advised his superiors, explaining that the contract for 100 would be cut back to 50 or 60 so as not to bring financial ruin to Convair. In May, the Air Force announced that it would build its 70-group force around the B-50, Boeing; and the B-45, North American; P-86, North American; and others. This announcement on May 7, 1948, did not list the Convair B-36.

By then, 10 B-36's had been produced. The Air Force in June cut production to 96 and announced a further reduction to 61 B-36's.

Mr. Louis Johnson was a director and attorney for Consolidated Vultee at that time.

During the same months of April, May and June, 1948, an official investigation was begun of the wartime aircraft turret contracts of Emerson Electric Co., of St. Louis, a firm formerly headed by Mr. Symington.

These aircraft turrets were unsatisfactory, and the contracts contained a clause providing that defects be corrected without cost to the Government. Col. Frank Wolfe, of Wright Field, went to St. Louis and renegotiated these contracts without loss to the company. It has been said that this renegotiation process cost the Government approximately \$20,000,000. Emerson Electric was saved from loss, the Government obtained the turrets at increased cost and as usual, the American taxpayer suffered. Colonel Wolfe, who was a subordinate of Gen. Benny Meyers, is now retired and is said to be living at Beverly Hills, Calif. The entire transaction should be the object of the committee's inquiry.

I return to Consolidated Vultee-Atlas Corp. Although in the spring and summer of 1948 the Air Force planned to reduce materially the B-36 contracts, we find that in January of 1949 it was canceling contracts with other companies for other planes in order to procure more B-36's, which not many months before had been found unsatisfactory as bombers and were to be used as refueling tankers. The renegotiations of the canceled contracts with other manufacturers was handled by an outside law firm, reportedly upon the recommendation of Mr. Johnson. This firm had been retained for some time by Mr. Odlum's Atlas Corp.

Throughout the aircraft industry there are reports of very serious circumstances surrounding this transaction. They involve reported plans to set up, through Atlas, a huge aircraft combine under the control of Mr. Odlum. I have heard from sources I cannot disregard that there is a plan underway for Mr. Symington to resign as Secretary of Air as soon as the 1950 budget containing more funds for more B-36's is approved, and head this huge aircraft combine. I do not say that all of these reports are true; but I do emphatically assert that they are so prevalent and so persistent as to require a congressional investigation without further delay. The Congress should take this action in the vital

interests of the security of the United States. We have a duty to the Nation regardless of an individual or corporation. That duty we cannot shirk.

On September 10, 1948, it was announced that the B-36 contract would not be cut back to 61 after all, but that the entire 94, still under contract, would be accepted. Later, 36 Convair-Consolidated-Vultee—liners were purchased and a \$35,000,000 contract for modified training planes was executed with the same company. In October, the production of Northrup B-49a jet bombers was transferred from that firm to Consolidated Vultee. The same month a Curtiss-Wright contract for F-87 all-weather fighters was canceled. A few weeks later, the \$80,000,000 which was withdrawn from the Curtiss contract was transferred to Consolidated Vultee for trainers. There have been repeated cancellations early this year for other types of planes, all a matter of record, to make additional funds available for B-36's. The cut-backs of other contracts involve \$312,000,000, a great sum. The cost of canceling the original contracts is being borne by the taxpayer. They will total in the neighborhood of \$100,000,000. The money withdrawn from the other contracts will go, for the most part, to Floyd Odlum's Consolidated Vultee Aircraft Corp.

More recently the B-54 contract has been canceled and plans are going forward for the purchase of yet another 36 B-36's. The Air Force has also brought forth a plan to modify the 73 B-36's already on hand by the addition of jet engines, for which the B-36 was not designed. The cost of the modification of the plane to bring it more in line with aircraft developments that have far outpaced its original design is more than \$2,500,000 each, more than all airplanes except the B-36 cost in the first place. Former Secretary of Defense, the late Mr. Forrestal, in learning of irregularities in the handling of this plan, refused to approve it. A very short time after Mr. Johnson was sworn in to succeed Forrestal, he issued orders, in great haste, to give the additional \$183,000,000 contract to the Consolidated Vultee Aircraft Corp., a firm from which he had just resigned as director and counsel a few weeks before.

It is impossible for me at this point to catalog the entire series of cancellations and reorders of Consolidated planes. But Congress should here and now find out why the B-36 was unacceptable in the first half of 1948; why it became acceptable in September and October 1948; why contracts for other types have repeatedly been cut back to provide funds for still more B-36's, and whether there are plans for a super aircraft combine to be headed by Secretary of Air, Symington, and under the thumb of Floyd Odlum.

There are well-founded reports that Mr. Odlum was very active in assisting Mr. Louis Johnson to raise campaign funds for the Democratic Party in September and October 1948 that this coincides with the improvement in the status of the Consolidated Vultee Aircraft

Corp. and with the reputation of the product on which its financial future was staked—the B-36. If the aircraft industry and Mr. Odum assisted in raising \$1,500,000, or as some reports have it, a staggering \$6,500,000, for the Democratic campaign, the Congress and the American people should know about it.

I do not assert that this is true. I maintain that there is sufficient evidence at hand to demand an investigation, devoid of any whitewashing or soft-pedaling tactics. The American people are entitled to a fair and impartial investigation so that the truth may be known.

There is much more information available that I have not taken the time to relate. This information belongs properly to an investigating committee. It concerns the wastage of some 2,000 B-29's now in storage; it concerns the influence and political association of Mr. Odum with Mr. Johnson and Mr. Symington.

Nothing short of an inquiry by Congress will clear up these matters. We are spending \$15,000,000,000 a year on our national defense. Are we pouring much of this into one basket, and an outmoded basket at that? Is there undercover dissension and serious disagreement on the state of our defenses? What about these influences that are being so widely discussed now? What about the cancellation, revision, renegotiation, and rejugling of contracts for planes that, less than a year ago, were thought to be our best defensive weapons? What about these associations that are being so widely discussed?

In fairness to the public which ungrudgingly pays the bill, in fairness to Congress itself, and in fairness to all who have been and are being mentioned, Congress can do no less than to support a full, complete, and fair investigation into these matters. That is exactly the purpose of my resolution.

(Mr. VAN VANDT asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, while I do not know of any further requests for time on this side, yet I reserve the balance of my time until the gentleman from Ohio [Mr. BROWN] comes in.

Mr. SMITH of Virginia. I want the gentleman from Illinois to understand that when I conclude my remarks I shall move the previous question. Is that all right?

Mr. ALLEN of Illinois. That is all right.

Mr. SADOWSKI. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from Michigan for a parliamentary inquiry?

Mr. SMITH of Virginia. I yield.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. SADOWSKI. Mr. Speaker, the gentleman from Virginia has stated that there has been no request for time on this side. I make a request for 5 minutes.

The SPEAKER. The gentleman has not stated a parliamentary inquiry.

Mr. SMITH of Virginia. Mr. Speaker, I may state, in order to show my good

faith, that the gentleman from Michigan did ask me for time just after I had said I had had no inquiries, which was the fact, and had agreed that I would not yield any further time on this side. I will state further that I also arranged for the gentleman from Michigan to get 5 minutes under general debate, which he does not seem to desire.

Mr. Speaker, the purpose of this rule is merely to facilitate passage of this bill by authorizing and making in order an amendment which the Committee on Appropriations wishes to offer. The House will thus be given an opportunity to vote on this proposed amendment. It is thought that by doing that it will facilitate the passage of this bill, which I think all Members are very anxious to dispose of.

Mr. Speaker, I move the previous question on the resolution in order that we may get right into it and that its consideration may be concluded today.

The previous question was ordered.

The resolution was agreed to.

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes; and pending that I ask unanimous consent that general debate on the bill may be limited to 4 hours, one-half the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

Mr. RICH. Mr. Speaker, reserving the right to object, I wish to ask the gentleman if he believes that in 4 hours we can do justice to the American people in spending \$6,000,000,000?

Mr. GARY. Mr. Speaker, I assure the gentleman that we are going to try to do justice, complete justice, to the American people.

The SPEAKER. The gentleman from Virginia asks unanimous consent that general debate on the bill be limited to 4 hours; the time to be equally divided and controlled between himself and the gentleman from New York [Mr. TABER].

Is there objection?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with Mr. COOLEY in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] is recognized for 2 hours, and the gentleman from New York [Mr. TABER] will be recognized for 2 hours.

Mr. GARY. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, at the beginning of the discussion on this bill, may I pause for a moment to pay my respects to the subcommittee that has labored so diligently for the last month on this measure. We

had as majority members of this subcommittee the gentleman from New York [Mr. McGRATH] and the gentleman from Illinois [Mr. YATES], two newcomers to the House and two newcomers to the committee, but men who have already made their mark and have demonstrated their ability. As the two Republican members of the committee we had the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH], whom I am certain the House will realize have given thorough consideration to this entire problem. I know of no two men who are better qualified to pick flaws or to find weaknesses in a witness' armor, and I say to you that throughout these hearings they were zealous in their efforts to find out, if possible, if there was anywhere we could cut down on this program or if there was any faulty administration.

There appeared before the committee many witnesses from the Department and from the outside. We had the privilege of listening for over an hour to Gen. Lucius D. Clay, the retiring United States Governor in Germany, who had just returned from Germany and was, therefore, able to give us an accurate picture of conditions with respect to that country. In addition, we had several representatives of the ECA who had recently returned from Germany and from Japan. So that we had at first hand the latest information as to conditions in Europe and Japan.

Mr. Chairman, this bill contains four subdivisions. In the first place, we have the ECA. In the second place, we have what is known as GARIOA appropriations for Government and relief in occupied areas. Then we have EROA, which is economic rehabilitation in the occupied areas. EROA is the ECA for Japan. In addition to that, we have an item for assistance to Greece and Turkey.

I shall try to outline briefly the various proposals before the Committee of the Whole at the present time. But before I do that may I give you the general background of this entire situation insofar as ECA is concerned.

Our committee did not feel it was our duty to go into the question of policy, which has been considered on numerous occasions on this floor. The House has decided the policy so far as ECA is concerned. We considered it our job to see to it that the policy is carried out at the least possible expense. Consequently, we scrutinized very carefully the administration of the ECA program. May I say, and I think I can say this without contradiction from the minority members of the committee, that we were greatly impressed with the administration of ECA from Mr. Hoffman on down.

Throughout the hearings there was never a time when we asked for information and statistics, that they were not immediately available or if not immediately available, the statistics were compiled and presented just as quickly as could be expected.

There have been substantial accomplishments under the ECA program; as a matter of fact, I think I could go even further and say that there have been amazing accomplishments. It was my privilege to visit Europe in the fall of

1947. When present conditions are compared with those which existed in 1947, it is nothing less than startling.

Industrial and agricultural production has increased tremendously in practically all of the countries. Exports from these countries have increased substantially, so that some of the countries today are helping the other countries of Europe in their respective recovery programs. The standards of living have been raised to a gratifying extent in all of the participating countries. As a matter of fact, in many of the countries the standards of living are now almost back to the prewar level, when you discount the question of housing in those countries where destruction was worst. Of course, the housing conditions in Europe will be bad for many years to come.

The morale of Europe has improved and let me say to you this is of the greatest importance in this critical state of world affairs. As a matter of fact, the cold war in Europe has been won up to the present time. Communism has been stopped in its tracks. We asked General Clay and other witnesses who are in a position to know and they said that in their judgment there would have been no North Atlantic Pact, which guarantees the safety and security of this country, unless there had been an ECA. They said that the Berlin blockade would not have been lifted had it not been for the effects of the ECA. In fact, this program has succeeded so well, that many, who 1 year ago proclaimed that it should not be undertaken because we would be pouring money down a rat hole, are today contending that recovery has been so substantial that the ECA does not now need additional funds.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does the gentleman know how much money is covered in this bill altogether?

Mr. GARY. I will give the gentleman the figures in just a moment.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. RICH. What country did the gentleman say does not need additional funds?

Mr. GARY. I did not say any country. I said that many people who stood on this floor and who argued a year ago that we should not embark upon this program because we would be pouring money down a rat hole now say that all the countries have recovered to the point where they do not need any money, which is an admission of the efficacy of the program.

Mr. RICH. Has the gentleman had any indication from any country over there that they would not need any funds at any particular time in the future?

Mr. GARY. No; and I am going to discuss that right now.

Mr. RICH. They are all going to have their hands out as long as you are going to hand it to them.

Mr. GARY. Gentlemen, we have made substantial progress, and yet there is a great deal to be accomplished. In the first place, the currencies of these various countries have not been completely stabilized. In some of the countries inflation is still rampant. That is one of the situations that the ECA is fighting in Europe today. It is insisting that the countries stabilize their currencies. We are in this position in this program, the ECA does not attempt to tell these various nations what they have got to do, but they are trying to assist them in formulating programs that will eventually mean the economic recovery of the entire world.

Much is yet to be done with reference to the elimination of trade barriers so that these nations in Europe can trade freely with each other. A great deal has been accomplished in that respect. A number of trade barriers have been removed, but that is a difficult program and consequently it is one that is going to take a long time to work out. The nations of Europe need a balanced budget. As a matter of fact, that is one of the great problems that we are also facing in our country today. In some of these countries they have not imposed adequate taxes, and in one or two instances they have not collected the taxes that they have imposed. But great progress has been made in bringing about reforms in these respects. Moreover, a great deal has been accomplished in regional cooperation, yet much more must be done. Naturally, there is a desire on the part of each nation of Europe to become self-sufficient rather than remain dependent upon its neighbor nations for some essential commodities. The ECA is trying to promote a program of regional cooperation, so that one nation will rely more upon another nation for the things that nation is best prepared to produce.

We have two alternatives today. One is the ECA, which will bring about recovery of our allies in Europe. The other is to prepare for war. If we cannot stop the advance of communism in Europe, then we must realize that sooner or later, after they have taken over the Continent of Europe, the continent of North America will be their next objective.

The ECA program is a defense program, and it is a much more effective defense program than one of merely preparing for war, for this reason: if we spend all our money preparing for war and war does not come, the money is wasted; but if we spend a part of our money in strengthening our allies, who will assist us in the event of war, we will at the same time under the ECA program strengthen them economically so that in time of peace we will increase our opportunities for trade and provide markets for the surpluses in this country.

We all know that the United States is a surplus-producing Nation. We must have foreign markets to dispose of those surpluses or else our own national economy will suffer. When we rebuild Europe, we are building up markets which will benefit us in peacetime, and we are also strengthening those nations to the point that they can be effective allies in the event of war.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. RICH. I suppose a good many people think I am opposed in every way to helping others, but that is not the case. I am opposed to the degree in which we are trying to aid other people, when we need so much help ourselves. Suppose you spend this \$6,000,000,000 in assisting these countries; does the gentleman believe for a minute that these countries will give every consideration to American produce, if they can buy the materials from some other country for less money than they can from America?

Mr. GARY. May I say to the gentleman that I do not believe anyone on this floor will question the motives of the gentleman from Pennsylvania. I certainly have the highest regard for him. I know that in this matter he is actuated by the highest motives. I do not agree with the gentleman, however, and the reason I do not agree with him is that I have seen the effectiveness of this program. We are encouraging the people of Europe to trade among themselves because they must have trade to live, just as we must. On the other hand, unless we can strengthen them economically, they cannot trade with us at all. We certainly must have markets for the surplus products in this country.

Mr. RICH. They have always worked things out themselves. The thing I fear will happen is what is happening in this country. We are trying to let everybody know they can get everything they want without doing anything to get it. I believe in working and earning and saving. I believe that the more you do for some people the less they will do for themselves. That is what I fear we are doing in the operation of ECA.

Mr. GARY. I think the administration of this program from that standpoint has been beyond criticism. Mr. Hoffman and his associates in the administration of ECA have tried in every way they could to see that the European nations do their part. The gratifying thing about it is that they are doing their part, and the results to date show it.

Mr. RICH. One other statement: I have the highest regard for the gentleman, and I want him to know it.

Mr. GARY. I thank the gentleman.

Mr. RICH. I have appreciated my association with the gentleman. But have you weighed the question of how far this country can go beyond the condition that we find ourselves in now, with the great demands that are made upon us for the people of our own country? How much further do you think we can go on? I know that we have a lot of fine men on the Committee on Appropriations. I just think that they are overdoing it. Have you figured how much we can go in the red this next year and still be economically sound?

Mr. GARY. It is important to find out how far we can go, but it is more important in my judgment to know how far we must go. We must go far enough to protect this country. To have an inadequate program for the ECA would be worse than having none at all, for this

reason: If you have no program at all, then you can take the money now used for the ECA and use it for atomic bombs and an increased Army and Navy in this country. If, you have an adequate program, you will strengthen our enemies—pardon, me, I mean you will strengthen our allies to the point that if war should come, they will be of material assistance to us. But if you have an inadequate program, you will merely weaken the United States without strengthening our allies, and the whole amount will be virtually thrown away.

Mr. RICH. The gentleman made the statement, inadvertently, of course, that we will strengthen our enemies.

Mr. GARY. What I meant to say and did say was that an adequate program would strengthen our friends.

Mr. RICH. Of course it was a slip of the tongue. I know the gentleman did not mean to say that. But what I am afraid of is that by trying to strengthen our friends we may be making a mistake.

Mr. GARY. I said we were trying to strengthen our allies.

Mr. RICH. We gave Russia over \$12,-000,000,000 worth of equipment, which they have in that country. We are fearful of them now, and we wish we had it back.

Mr. GARY. We are not doing that any more.

Mr. RICH. We are doing the same thing, perhaps, with some of these other countries which may turn on us. Under the North Atlantic Pact, we are figuring on helping them, and they are preparing for war over there. They might turn around and use that against us. That is what I am afraid of. I think you have to keep your eyes and ears wide open for fear that some of these things, which we think are going to be blessings, will turn out to be anything but blessings to our country.

Mr. GARY. I agree most heartily with the gentlemen on that. I think that is what our committee has done. We are trying to see that this money is used properly.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. RABAUT. The gentleman from Pennsylvania [Mr. RICH] asked the question: How far can we go in the red on this? I would like to ask the question of the gentleman from Pennsylvania, how far does he think we will go in the red if we have a "hot" war?

Mr. RICH. The gentleman from Pennsylvania will answer that question, if the gentleman would yield for that purpose.

Mr. GARY. I wish the gentleman would not ask me to yield now.

Mr. RABAUT. Let us thresh that question out on our own time.

Mr. GARY. I would like to give the gentleman the opportunity to answer, but I feel that I have yielded sufficiently.

Mr. Chairman, I want to say to the gentleman that the aim of our committee was to provide for an adequate program at the least possible cost. Let us look at the costs briefly.

Mr. RICH. Mr. Chairman, will the gentleman permit me to make a statement in reference to the question asked

by the gentleman from Michigan [Mr. RABAUT]?

Mr. GARY. I yield.

Mr. RICH. I believe that if we would talk peace, and work and do everything for peace in this great Nation of ours, and in all the world, instead of talking so much about the probability of having war with Russia—if we would send a commission over there, by the President of the United States, to try to get together with them peacefully, we would accomplish a great deal more than by trying to prepare for war. Whenever we make these great preparations for war, we have a lot of fellows who want to use the machinery of war. That is what will happen. But if we talk peace and try to keep from spending our money for arms and munitions, and things of that kind, then we will have peace.

Mr. GARY. May I say this—of course, if the gentleman from Pennsylvania believed, as I do, that this program will promote the peace of the world, he would not object to one dollar that we are spending. From the bottom of my heart I believe that it will do just that. That is the reason I stand before this body today, with all the sincerity of my being, to ask you to provide for an adequate program for the ECA, which I think is the greatest factor we have for the advancement of world peace today.

Let me talk for a few moments about the figures. In the ECA authorization bill recently passed by this Congress, we authorized \$1,150,000,000 for the period from April 3 to June 30, 1949. In addition to that, we authorized \$4,280,000,000 for the fiscal year 1950. The total authorization was \$5,430,000,000. That was the original estimate for this program. But before the bill was presented to our committee, realizing that there had been some reduction in prices, when the budget estimate was submitted, the President himself cut those estimates \$157,-800,000 below the authorization. So that the budget estimates were \$1,074,-000,000 for the period from April 3 to June 30, 1949, and \$4,198,200,000 for the fiscal year 1950, making a total of \$5,272,200,000.

The subcommittee went over these estimates very carefully. They felt that they could be further reduced. There had been some price reductions between the time of the President's budget estimates, and the submission of the report to us, which we estimated at \$42,300,000. We considered that there would be a continued decline in prices throughout next year, and that decline was estimated at \$80,000,000. In addition, there is now pending before the Senate an international wheat agreement which will probably be ratified by that body and if it is ratified, the ECA, by reason of the price provided in that agreement, will save \$60,000,000.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. FLOOD. If the gentleman will permit, I wish to read a statement from the New York Times of May 24. This article states:

The cost-of-living index went up 0.1 percent between March 15 and April 15, the Bureau of Labor Statistics reported today.

This represented higher average retail prices for foods, miscellaneous consumers goods and services. According to this report it marked the second month of slight price rises following 5 months of falling prices.

Mr. GARY. I thank the gentleman from Pennsylvania for that information which indicates that our subcommittee may have cut too deeply. The items which I just outlined total \$182,300,000 that the subcommittee cut from the ECA appropriations.

When the recommendations of the subcommittee were submitted to the full committee, the full committee felt that the subcommittee had not cut sufficiently; consequently a motion was made in the full committee that the amount for the fiscal year 1950 be decreased 15 percent from the amount of the budget request. That brought the figure down to \$3,568,470,000. It cut the total budget requests for ECA to \$4,642,470,000. That was a reduction of \$1,280,730,000 below the funds available for the fiscal year 1949, or a cut of 26 percent. It is a reduction of \$629,000,000, or 15 percent, below the budget estimates.

Frankly, the subcommittee did not think that was a proper cut, but we are not going to ask at this time that the amount be restored; what we are going to ask is that the House write into the bill a provision that was in last year's bill, inserted, I think, at the instance of my friend, the gentleman from New York [Mr. TABER]. The language which is identical with that inserted in the bill passed in 1948 is as follows:

Provided, That the entire amount may be apportioned for obligation or may be obligated and expended if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending May 15, 1950.

That means that we are appropriating this amount for a 15 months' period. If, however, it becomes necessary it may be used in a period of 13½ months. If the committee has guessed right, the funds appropriated will be spent during the 15 months' period and the entire amount stricken from the bill by the committee will be saved. However, if it develops that the program cannot be successfully carried on for the full 15 months with the funds provided in the bill, then the President may authorize that the expenditures be accelerated and the entire funds spent in 13½ months. The amendment will insure the continuation of this program which is so vital to our national defense and to world recovery.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. COUDERT. Does the gentleman from Virginia, who is my chairman also on another subcommittee, contemplate that at the end of 4 years the ECA program shall terminate?

Mr. GARY. May I say to the gentleman from New York that is one thing this subcommittee has insisted upon and we had every assurance from Mr. Hoffman and his associates that they are working to this end. They have served notice on all of the recipient countries that the program will close in 1952 as

originally planned and that relief will not be extended beyond that time. I have talked with Mr. Hoffman and Mr. Harriman. They both assert that the program has gained a certain momentum at the present time and, if we do not sustain that momentum, they fear that we may not complete the program within 4 years as contemplated and it may cost us much more in the long run than making a proper appropriation at the present time.

Mr. COUDERT. Assuming that the President exercises a power to use the entire amount, what percentage of reduction do the figures in this bill represent when compared to the 1949 appropriation?

Mr. GARY. Seventeen percent.

Mr. COUDERT. I have an impression it was somewhat less than that from what the gentleman said in committee.

Mr. GARY. I said 6.2 percent below the authorization in committee, but it is 17 percent below the funds available for 1949.

Mr. COUDERT. In estimating that percentage, does the gentleman include the 1949 \$1,000,000,000 loan fund?

Mr. GARY. Yes.

Mr. COUDERT. That accounts for the difference between the 17 percent and the 6 percent?

Mr. GARY. The 6 percent applies to the authorized funds. It has no reference to the amounts used in the fiscal year 1949.

Mr. COUDERT. What is the reduction from the appropriated funds in 1949?

Mr. GARY. From the appropriated funds of 1949? They had three sums for a 15-month period.

Mr. COUDERT. I am taking a 15-month period in both cases because this bill is for a 15-month period and the full amount is the amount that the President may call for.

Mr. GARY. Does the gentleman mean the percentage eliminating the \$1,000,000,000 loan fund?

Mr. COUDERT. Yes.

Mr. GARY. I do not have that percentage.

Mr. COUDERT. It seems to me that the committee this year and next year should consider the fact, if this is a 4-year program, that it ought to be reduced pro rata in each year so that when it comes to the end there will not be an enormous sudden drop in funds being paid out by the United States to Europe, which might adversely affect our economy and the European economy.

Mr. GARY. I understand what the gentleman has in mind. We started this program about a year ago. It took some time to gain momentum. The Administrator feels we should not reduce quite as much now because we have gained that momentum; but, if we keep up this momentum this year, next year we can cut more drastically and the following year more drastically still. As recovery progresses the countries will need less money. By this program we are building these countries up to where they become self-sustaining, so that the greater their recovery the less money the United States has to contribute.

Mr. COUDERT. The gentleman realizes, I take it, that all concerned with this program admit that at the end of 4 years the ERP nations will not have attained self-sufficiency. That is true, is it not?

Mr. GARY. No; I do not think that it true. I do not know that they will be completely self-sustaining, but they will be in position to go along without further aid from this program.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. VORYS. On the point that has just been brought up, and it has been brought up a number of times before, I think the House should be reminded of what these countries over there are doing themselves. It was brought out before our committee and before the House when the extension bill was up. The OEEC—the Organization for European Economic Cooperation, set up by these 16 European nations—when it received estimates from the various member governments for this year and for the period up to 1952, found those figures were out of balance by over \$3,000,000,000, and that Europe would have a dollar deficit of that amount at the end of ECA, if these estimates were used. The OEEC itself refused to accept these figures and sent them back to every country, saying in substance: "You have got to refigure this so that instead of a \$3,000,000,000 deficit in 1952 we come out even."

It was felt, and I think with some justice, that this was a step in the right direction by this organization itself. They refused to rubber stamp the reports, as I fear they did in 1948, but instead they criticized these reports and returned them without approval. They said, for instance, that each country was trying to achieve entirely too much self-sufficiency, and they had better refigure their estimates, and cooperate, so as to get Europe in balance by 1952.

I want to point this out; while the amount of money we furnish by way of grants, subject only to the deposit of counterpart funds, should shrink down finally to nothing at the end of the 4-year period, in 1952, the amount of material that we can furnish from our farms and factories will not only be available but will increase. What we should aim to do and what the OEEC should aim to do is not to cut down the exports from the United States but to arrange to pay for them, either in cash or credit, by 1952, and I feel quite confident that that can be done.

Mr. GARY. I thank the gentleman for his contribution.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I would like to commend the gentleman from Virginia for his interest, being certainly one of the hardest working Members of the House, and for the very fine, clear statement he is making.

I noticed in the paper this morning that an agreement has been worked out.

I understand time is of the essence, and therefore the gentleman did not have the opportunity to advise the full Committee on Appropriations nor the House of the agreement. I just wonder if he will explain it sometime in his own time in detail. Does the gentleman intend to do that later, or would he care to do it now?

Mr. GARY. I will say to the gentleman that I have just explained that when the bill is up for amendment I shall offer an amendment to place into the bill identically the same language that was in the bill last year; the language which I just read a few moments ago on the floor.

Mr. THOMAS of Texas. That is fine. I understand that; that is very clear. From there let us go two or three steps further. Does the gentleman intend to offer a motion to restore the funds?

Mr. GARY. No.

Mr. THOMAS of Texas. Or leave the funds as they are now?

Mr. GARY. We leave the funds as they are now. That is, the ECA funds?

Mr. THOMAS of Texas. That is right.

Now, will the gentleman's motion include the occupied countries' funds?

Mr. GARY. No. I am coming to that right now.

Mr. THOMAS of Texas. Will they be touched in any way?

Mr. GARY. I am coming to that right now; if the gentleman will just wait, I will explain the rest of it. I have completed my statement with reference to ECA. If the gentleman will just give me a few moments, I will attempt an explanation of the other items.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I have in my hand a letter received on May 19, over the signature of Mr. Paul Hoffman, in which he admits that lumber is being purchased behind the iron curtain under the ECA program in competition with the American lumber industry. I therefore assume that the same thing is true of other commodities.

Now, can the gentleman, who is well versed and well informed regarding these appropriations and the uses thereof, explain to me, first, how that is consistent with the program; and, secondly, will he tell the House how much ECA money is being spent behind the iron curtain in the procurement of commodities in competition with American industry?

Mr. GARY. So far as we know, absolutely none. There may be some isolated instances, the gentleman will understand.

Mr. WILLIAMS. If the gentleman wants to see this letter, I will be very happy to show it to him.

Mr. GARY. He admits that that might be true?

Mr. WILLIAMS. He says:

We may add, a comparatively small amount—

Speaking of lumber—

has been authorized for procurement behind the iron curtain.

Now, I would like to know how much is being procured behind the iron curtain.

Mr. GARY. There is no provision in this bill for any countries behind the iron curtain.

Mr. WILLIAMS. Before the House votes on this measure, does not the gentleman feel that we should know how much is being spent behind the iron curtain?

Mr. GARY. None is being spent behind the iron curtain.

Mr. WILLIAMS. Then Mr. Hoffman is wrong?

Mr. GARY. He said there may have been. There may have been in the past, but there is none at the present time, as I understand it, and there are no funds in this bill to be spent behind the iron curtain.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. I think perhaps what may confuse the picture is that some of these countries are still dealing in their own currencies with countries that are behind the iron curtain, using soft currencies, but not with the dollars that come from the United States under the ECA program.

Mr. GARY. Certainly there is no money in this bill for any country behind the iron curtain.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. It is true, however, that some of the participating countries are trading with countries behind the iron curtain and receiving certain supplies from them. For instance, Poland is sending coal and timber to the different countries. I think there are some food shipments out of Yugoslavia into Italy. Perhaps there is a little meat coming in. I would not be sure about that. I think that is true.

Mr. GARY. There is some coming from some of the countries; yes.

Mr. WILLIAMS. By way of explanation, let me say that this letter written by Mr. Hoffman has sole reference to purchases and procurement under the ECA program.

I will read further from Mr. Hoffman's letter. He says:

It is the purpose of this policy—

Speaking of the policy adopted by the ECA—

to assure to the United States lumber industry an opportunity to compete for ECA-financed business.

Mr. GARY. And not countries behind the iron curtain.

Mr. WILLIAMS. Before he came to that, he admitted we were purchasing lumber behind the iron curtain.

Mr. GARY. Not that we were purchasing lumber behind the iron curtain. As the gentleman has explained, there is some trade between the countries; yes.

Mr. WILLIAMS. It is being purchased by American money.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. JUDD. I wonder if the confusion may not arise from the possibility that

some of these countries may have used for buying behind the iron curtain some of the counterpart funds, funds that they put up in their own currency to match the value of what we send over in dollars. There is no reason so far as I know why they should not use it for that purpose if authorized by the Administrator. Furthermore, we must remind ourselves again that the one objective of this program is to help them get in such a position that they do not have to buy so much in dollars or in hard-currency countries; otherwise, we never can end the program.

Mr. TABER. If the gentleman will yield further—as I understand, these counterpart funds are used entirely within the country to which the goods are sent. The counterpart funds represent a fraction of the receipts from merchandise that is sold that is contributed from our purchases from participating countries and Western Hemisphere countries and ourselves, to ship over there. None of those counterpart funds are used in any way outside the country into which the goods are sent, as I understand.

Mr. GARY. That is correct.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mrs. DOUGLAS. The distinguished former chairman of the Committee on Appropriations is quite correct. Counterpart funds are not used to finance trade between the countries of Europe, either between the western countries of Europe or in east-west trade. There is today east-west trade in Europe. There has always been east-west trade in Europe. Eastern Europe has the grains, the coal, the wood western Europe must have. Without such trade, the Marshall plan would cost many times over what it is costing to get the western European nations back on their feet. East-west trade is not financed out of American dollars.

Mr. Chairman, you may recall the statement I made on the floor, when the ERP legislation was before the House. I handled that part of the program, explaining the intra-European-payments plan for the Foreign Affairs Committee. I pointed out that there are little Marshall plans underwritten by the Marshall-plan countries—intra-European-payments programs that permit trade to be carried on between the western nations in Europe and, where it is necessary, between the western nations and the eastern nations of Europe. Western Europe must import such things as wood, wheat, coal, and dairy products. For instance, England imports her eggs from Poland. Wood comes from Russia to England. If England had not been able to get wood, she could not have started building homes for those hundreds of thousands of families whose houses were bombed out in the war.

Intra-European trade is carried on through trade arrangements financed by local currencies. It is not financed by our dollars.

You will recall, Mr. Chairman, that when the ERP program was originally discussed in the House, the committee

of the House amended the bill prohibiting exports to the ECA countries of any goods in short supply in this country.

That is why in some instances ECA countries have gone outside of the United States to buy wheat and other products. First, they do not begin to have enough dollars to buy in the United States all the food and raw materials that they need. Second, many of the products which ECA countries imported last year from one another, other parts of the world or the eastern countries, were not available in the United States or were in short supply. The Marshall-plan countries in trading with eastern European countries by agreement have observed the same trade regulations the United States observes in trading with eastern European countries in regard to the export of military potential.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. JAVITS. I would just like to ask this question to try to clear up this matter. Is it not the policy of the Committee on Appropriations that European countries under the recovery program shall first use, wherever possible, their own currencies and second, that if they do have to use our dollars, they will buy them in the cheapest possible markets. Is that not the whole reason for whatever trade is carried on between east and west Europe?

Mr. GARY. That is not the policy of the Committee on Appropriations—it is the policy of the Congress of the United States.

Mr. JAVITS. Exactly.

Mr. GARY. The Committee on Appropriations felt, as I stated at the very beginning, that it was not our duty and responsibility to determine policy. Those policies have been determined by the Congress of the United States. It is our duty to determine how much money is necessary to carry out those policies and that is what we are trying to do.

Mr. JAVITS. That is the policy, as you understand it, as I have stated.

Mr. GARY. Exactly.

Mr. JAVITS. Another question. Is it not a fact that Europe, having had approximately \$11,000,000,000 deficit when we started this program, even if there has been waste; it has been cut down to \$3,000,000,000 in 4 years, and ERP has more than paid its way and has done a remarkable job.

Mr. GARY. There is no question about it.

May I speak briefly with reference to GARIOA and EROA. GARIOA is Government and Relief in Occupied Areas; and EROA is Economic Rehabilitation in Occupied Areas. It is the ECA for Japan. The appropriation for these items for 1949 was \$1,300,000,000. The budget estimate for 1950 was \$1,000,000,000. The subcommittee recommended \$949,600,000. In other words, the subcommittee cut the appropriation because of decreasing prices, which we went into very carefully, and because of some administrative savings, which we thought could be effected—\$50,430,000.

The full committee recommended a cut of 15 percent in the GARIOA and the

EROA funds. While ECA is a voluntary program, GARIOA is a legal responsibility of the United States. We must take care of conquered territories. At the present time we are changing the administration in Germany from military government to civilian government. It would be extremely unfortunate if, at this time, we should make such cuts as would embarrass the new administration, which is just taking over under Mr. McCloy. Therefore, at the proper time, an amendment will be offered, not to restore the entire amount of the cut, but to restore for GARIOA \$75,000,000 of the \$150,000,000 stricken by the committee, and to restore of the administrative funds, which does not mean any additional appropriation, because they are taken out of the total appropriation, \$45,000,000, which is a reduction of \$5,000,000 from the amount requested in the budget.

In addition, this bill carries an item of \$50,000,000 for assistance to Greece and Turkey. There have been no changes in that amount, either by the committee or the subcommittee. The House has authorized an appropriation of \$275,000,000 for that purpose. We have previously appropriated \$225,000,000. This bill merely appropriates the remaining \$50,000,000 to be expended as a stop-gap fund until the recommendations come through for the Atlantic Pact program. It is understood that this appropriation will be taken into consideration when the budget requests are submitted for funds to implement the Atlantic Pact.

The \$50,000,000 will finance the Greek and Turkish programs until October or November.

I want to apologize to the membership for taking so much of their time, but I did want to give you a complete and full explanation of this bill. I hope the House will see fit to adopt the two amendments which have been suggested. With these amendments this bill will adequately take care of the situation for the next year, and will show the Communists in Russia that we really mean business in this recovery program. Moreover, our action will tremendously strengthen the hands of Mr. Acheson, who is in Paris today, negotiating with the Foreign Ministers of Russia, England, and France.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be happy to yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Chairman, before the distinguished gentleman from Virginia relinquishes the floor I wish to make this observation: I know something about the gentleman from Virginia; I know something about his interest in and his work for drastic Federal economies. I was chairman of the Subcommittee on Treasury-Post Office appropriations in the Eightieth Congress, and the gentleman from Virginia served under me. He gave me 100-percent support in my program to cut severely the requests of the President and the Bureau of the Budget; furthermore, when we faced the Senators in conference on the other side of the building he was a stand-up man in conference, so much so that one of the elder

statesmen who had served in the other body for some 20 years made this statement: "Gary, of Virginia, and Canfield, of New Jersey, are pretty tough conferees, the toughest I have ever faced." So I congratulate the gentleman from Virginia on the job he is continuing to do in this Congress as the present chairman of that Subcommittee and as chairman of this special Subcommittee on ECA. He is a credit, a distinct credit, to the Congress and the country.

Mr. GARY. I thank the gentleman from New Jersey and remind him that with his help we cut the Treasury Post Office request this year by \$100,000,000, but \$40,000,000 of it has now been restored in the other body.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. ABBITT. I desire to take this opportunity to express my appreciation for the splendid manner in which the gentleman from Virginia [Mr. GARY] has explained this important piece of legislation. I desire to compliment him highly and extend him the thanks of myself and others who feel likewise, for the wonderful work that he and his subcommittee have done. We of Virginia are wholeheartedly supporting the gentleman and wish him to know that we appreciate the wonderful work that he has done.

Since April 2, 1948, this program has been in effect. Its purpose is to help the European countries help themselves recover economically. At the time the program was instigated, economically, western Europe was bankrupt. The question was whether or not the democratic countries would be able to survive economically. They were on the brink of collapse internally. Since that time much progress has been made to date toward European recovery. Agricultural and industrial production has been steadily rising, living conditions have been improving, and morale is higher now than at any time since the war ended. Despite these favorable aspects, inadequate progress has been demonstrated in certain features of the program. The aid being extended by the United States is a relatively small but vital factor in the aggregate of what must be produced and accomplished for Europe to become self-supporting by June 30, 1952. The progress made toward recovery up to now is largely attributable to the efforts made by Europeans themselves, and the success or failure to achieve adequate recovery by 1952 will also depend principally upon the efforts made in Europe. Continued aid in declining volume by the United States will, however, be an indispensable factor. In other words, due to the progress that has been made by the western democracies in Europe, it is now possible to reduce the amount of our aid, but aid is a vital and necessary factor in the continuing recovery of Europe.

It is necessary to have an expansion of production, consumption, and trade in Europe and throughout the world during the period of the European recovery program, and after it has ended, if the objectives of the program are to be realized.

It is most important that care be exercised that any tendencies on the part of participating countries to indulge in uneconomic self-sufficiency are not implemented by the investment of aid funds, or funds contributing to requirements for aid. It is conceded by all people familiar with the program that it has done a wonderful job, that the administration of the plan has been carried out in a businesslike and highly efficient manner and speaks well for Administrator Hoffman and his staff.

Mr. GARY. I appreciate the very gracious words of my colleague, but being a politician, I may say that I value votes above commendation, and I hope that the House will endorse my views by its vote.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. DAVIS of Wisconsin. The gentleman's explanation of the bill has been very helpful and I am sure all Members of the House appreciate the splendid job the gentleman has done. My question has to do with the section of the bill dealing with the National Military Establishment authorization for the Administrator to use funds for the transportation of relief packages to Japan and some of the occupied lands; but I do not find anything in the section authorizing the ECA and its Administrator to do that same thing for the European areas. I understood such a provision was included in the bill last year.

Mr. GARY. It is included in this bill. We have not touched that at all.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Virginia has consumed 58 minutes.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, earlier today the Commission created by the Eightieth Congress on the organization of the executive branch of the Government held its last official meeting at the White House and submitted its final report to the President, the Vice President, and the Speaker of the House.

This bipartisan Commission, the membership of which was appointed in July of 1947 by President Truman, Speaker Martin, and Senate President pro tempore Vandenberg, has worked diligently at the task assigned it for the past 21 months. In its work it has had the assistance of several hundred outstanding American citizens, many of whom have made great personal sacrifices to serve their country.

Including the final summary or report filed today, the Commission has submitted to the Congress 19 official reports setting forth 318 findings and recommendations which, if followed, will make possible huge savings and greater efficiency in the operation of the Federal

Government. Now it is up to the Congress and the President to make effective the new economies and efficiencies in the public service which have been charted by the Commission.

Those serving as members of the Commission have been: Hon. Herbert Hoover, ex-President of the United States; Dean Acheson, Secretary of State; the late James V. Forrestal, Secretary of National Defense; Arthur S. Flemming, former Chairman of the Civil Service Commission and now president of Ohio Wesleyan University; Joseph P. Kennedy, former Ambassador to Great Britain; James H. Rowe, Jr., former White House secretary and Assistant Attorney General; Dr. James K. Pollock, professor of political science, University of Michigan; George H. Mead, industrialist, of Ohio; Senators Aiken, of Vermont; and McClellan, of Arkansas; our former colleague in the House, Carter Manasco, of Alabama; and your humble speaker, author of H. R. 775, the bill which created the Commission.

At the meeting to organize the Commission, held in the Cabinet room at the White House and presided over by President Truman, I had the pleasure of nominating our only living ex-President, Herbert Hoover, for Chairman of the Commission. He was unanimously elected, as was Dean Acheson, as Vice Chairman.

And now that the Commission has concluded its labors and will cease to exist in a few days I wish, not only in my own behalf, but in behalf of other members of the Commission, to take this opportunity to pay a tribute to the great American who served as our Chairman and by whose name the Commission on Organization of the Executive Branch of the Government is best known—Herbert Hoover.

Most men, when they have suffered a political defeat, retire to nurse their grievances. Many men, when they have reached the venerable age of three score and ten, sit back to reminisce on their past greatness. Few men—very few, indeed—take on a new tasks and new careers at such an age. Few men disregard their personal comforts, their own needs, and the possibility of physical exhaustion, to serve the public interest at such an age.

Herbert Hoover is today the leader of no political party. He is not regarded solely as a former President of the United States. He has found altogether a different place in the hearts of our people, a place that might be the envy of any man. It has come as the blossoming of a great understanding, and from the universal response to a simple man who loves his people and has devoted the whole of his days to them. If men call him our elder statesman, it is for want of a better phrase. Rather, he is the father and the mother of our generation—the strong, spiritual man who steps in to assume and do unbelievable tasks—the tender person whose compassion and faith bring to such tasks an intuitive sense of what is right and good for us.

Herbert Hoover is of the soil of America. An Iowa farmer's son, born of a devout Quaker family, he was in early

childhood left an orphan to the care of relatives. Sent to Oregon, it might be said of him that he has had to work all his life, from earliest childhood. And out of it came his robust body, his tireless energy, his ability to keep at his tasks with strength and determination.

Herbert Hoover never seems to age. Certainly during the past decade he has grown younger in spirit, if more mellow and universal in his philosophy. His has always remained the Quaker concept that it is sounder to help people to help themselves than it is to make them permanent subjects for charity, either by private or public coddling. He has never recognized any people as an enemy of this country, even when at war. Rather he has regarded them as erring children of God to be pitied and guided aright. Often, in a materialistic era, this essential Christian attitude has been mistaken for weakness and compromise, and even as a willingness to forgive one's enemies, rather than the merciful understanding of a great soul.

Children and women and aged men are not enemies, even in time of war. They are but the victims of mistaken policies and misguided leaders, and of the fallacies inherent in the doctrine of the supremacy of the state over the freedoms of the individual. Perhaps the steadily rising respect for Mr. Hoover's judgment is the result of his having, for so long, been unpopularly right while so many others were so popularly wrong. He has viewed human events in terms of large historic forces, rather than by the smallness of party politics. The truth will reassert itself in each generation, no matter how brilliantly falsehood and error are presented to beguile the minds of the unthinking and the hearts of the immature. Truth, at times, seems cold and hopeless, while falsehood is like a beautiful tree that blossoms gaily in the spring, yet produces no fruit in the autumn.

Since Herbert Hoover has left the Presidency, he has devoted himself to three tasks:

One. To keeping before the American people our national ideals and traditions that they may never forget the fundamentals of their inalienable freedoms which for three centuries on this continent protected and served them and made this the greatest of all nations, not only as a material reservoir but also as a spiritual sanctuary. He has viewed American history not as the events of one country—his own—but rather as the zenith of the Christian civilization of the Western World—the growth of the ideal that man is not the servant of the state but is the master of his own soul, that his inalienable rights are by the grace of God and not the accident of political arrangements. It is a philosophy of life grounded not only in the Declaration of Independence and the Constitution but in the moral law of the Western World.

Second. He has been concerned over the sufferings of the young, the weak, and the aged, and came to their relief with his great powers of administration, offering his services to anyone who would use them, without regard to self, to cost,

to his aging years, or to the expenditure of his own physical strength. During World War I he brought into being the most humane and effective organizations for the relief of the hungry and the care of the needy. The American relief of that war was an act of compassion and it will never be forgotten. During World War II, his services were not required. Yet, he organized the Finnish Relief; he sought to aid the Poles; he offered his services at all times, and, when the war was over, he actually flew around the earth twice, with side trips into South America, to effect a more equable distribution of the available food supplies when starvation threatened in many parts of the world. This aid to mankind almost cost him his life and actually brought upon him an illness of intense physical pain. Yet, when cautioned by friends that he was risking too much, he replied, "I've lived too long, anyhow."

Third. He undertook 2 years ago to act as a servant of the Congress of the United States in heading the Commission on Organization of the Executive Branch of the Government. Perhaps there were some who imagined he was being named as Chairman of our Commission as a sort of last honor, a sinecure to top off his years and to give a public acknowledgment of his services to the Nation.

His arm in a sling, and suffering the pains of an illness brought on by his heavy labor to feed the hungry, Herbert Hoover set out to make this Commission an effective agency of Government. He devoted himself to this new task, as he has to every duty he has ever undertaken, with a thoroughness rarely expected and seldom found in a public servant.

Instead of hiring a vast multitude of so-called experts, he mobilized more than 300 citizens, each an experienced, competent leader in his particular field, to serve on task forces devoted to finding the answers to special problems. Most of the members of these task forces served their Congress and their country without remuneration, with many contributing their own expenses.

It is my firm conviction that this Commission, on which I have had the honor of serving, has competently completed one of the most gigantic tasks ever assigned to any group of citizens. In a short period of 20 months the Commission has analyzed the nature, structure, functions, and activities of our sprawling Federal administration, prepared 24 task force reports in full detail, and issued 19 Commission reports, making 318 specific findings and recommendations for the better organization of the executive branch of the Government. Nothing has been suppressed. No data in the possession of the Commission has been withheld from the people. There has been no double talk, no evasion of issues, no protective obscurities.

The affairs of this Commission have been administered entirely by Herbert Hoover. He has labored with each task force, read every report, directed the work of the Commission so as to save time and expense, and has given to its labors an over-all philosophy based upon American ideals and history. Our task

force and Commission reports are today the only existing source material which fully and impartially describe the actual workings of our Government. They will be used for decades to come as a guide for our people and our officials toward better government.

Now that the work of our Commission has concluded—now that the final report has been filed—I wish only to call attention to the Herculean labors, the superb patriotism, the utter selflessness of one of our greatest Americans—Herbert Hoover.

May God grant that his vigorous health, his earnest spirit, his wise philosophy may long be at the service of the Nation he loves. May God grant that in the years ahead he may enjoy the respect, the love, and the veneration of a grateful Republic.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill as it is reported by the committee carries \$3,568,470,000 for the ECA for the fiscal year 1950 and \$1,074,000,000 for the 3-month period ending June 30, 1949.

On April 2 there remained unshipped, according to the table that was first presented to us, \$1,953,000,000. According to the statement that was later made, it was estimated that the shipments had been \$3,774,000,000. That would leave \$1,226,000,000. With the funds that are carried in this bill they would have available to ship \$5,872,000,000 in the 15-month period, leaving an amount of \$391,000,000 available per month, or \$90,375,000 per week all the way through, if it were all used.

This would be at a far higher rate of shipment than they have already attained on an average for any 3-month period, and a higher rate by far than the \$315,000,000 per month that the last report showed of estimated shipments to the 31st of March, so it seems to me that with the funds that have been reported here they can unquestionably get along.

I shall not, however, oppose the amendment which the gentleman from Virginia [Mr. GARY] stated he would offer. I shall support it because I feel that it is very important that whatever is done here shall be done by as nearly unanimous a vote as is possible.

Mr. Hoffman has agreed that he will try his best to get along and do the job on the amount of funds that are available for the period involved, and I have not the slightest doubt but that he can do it.

There are a great many things that are involved. The future prices of corn and grain are down below the figures that are carried in here. My understanding is that the futures prices of grain represents just about what the Commodity Credit Corporation has set as the loaning price that will be in effect next year. Lard, for instance, is down from \$310 a metric ton to \$265, between the middle of April figures that they gave us and the price that seems to be current in the New York FAS market.

Raw cotton: Futures of raw cotton are down. The October price is down from \$519 a ton to \$397. Lead prices are down

from \$334 to \$308. Zinc prices are down from \$331 to \$264. The prices of hides are down very considerably.

There we have the picture. I do not think there is the slightest doubt that the United States of America can ship everything which needs to be shipped across the water with the funds that are carried in this bill. I believe it would be much healthier if we get along on just this amount of money, from the standpoint of the ECA and from the standpoint of the rest of the world. Just to show you what is presently going on here in the United States, I wish to call your attention to the Treasury statement of May 23. That statement shows that the amount of income tax withheld by employers is down, as compared to the same period a year ago, about \$248,000,000. The amount of personal income tax is down \$59,000,000. The amount of refunds of receipts is up \$80,000,000 for that same period. The other revenues are approximately in the same category. That indicates we are in a very serious situation. The receipts so far this year exceed the expenditures, but not by an amount which makes us feel we should move into anything except with the greatest care and the most cautious approach.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WHITE of Idaho. The gentleman says he is for the bill and he says that it will improve the market and make a better outlet for wheat and cotton. Has he given any consideration to metals in this country?

Mr. TABER. Metals?

Mr. WHITE of Idaho. Yes. Does the gentleman know that \$190,000,000 are allocated in this bill for the purchase of strategic materials in foreign countries in competition with the metals which we produce here?

Mr. TABER. There will be no strategic materials brought into this country as the result of this bill, with the possible exception of some small items, which will come in as a result of the use of the counterpart funds. That will not hurt any metal industry in this country.

Mr. WHITE of Idaho. Does the gentleman say that for zinc, lead, and copper?

Mr. TABER. Yes. I say that because the zinc, lead, and copper stock piles in this country are going to be built up just as much as possible for the protection of our own military position. I do not believe there is any suffering in any of those industries.

Mr. WHITE of Idaho. Has the gentleman taken into consideration the market quotations on lead, copper, and zinc in recent weeks?

Mr. TABER. I just gave you the figure on that, as compared with what they were a while back.

Mr. WHITE of Idaho. Has the gentleman obtained any statistical information from the ERA on the importation of copper, lead, and zinc?

Mr. TABER. No; I have not obtained any information from them, but I have been watching the markets and I gave

you the trend of the markets, which is very similar to the trend of the markets on almost everything.

Mr. WHITE of Idaho. Does the gentleman know that negotiations now are under way between the ECA and these Marshall plan countries to provide money not only to buy copper and zinc and lead, but also to develop the mining properties in these Marshall plan countries? The statistical tabulation I have recently received from the ECA discloses substantial importations of copper, lead, and zinc into this country financed by ECA money at the same time the market quotations disclose the price of these metals are continually declining and with the fall in metal prices the price of the securities of most of our industrial concerns are also falling.

Mr. TABER. While I think that is true to a certain extent, on the other hand we are not able to take care of our own requirements in good shape in this country, and I do not believe that this is going to prejudice legitimate industry in any way in the mining of lead and zinc.

Mr. WHITE of Idaho. As a matter of fact, 5 percent of all appropriations made are allocated or set aside and earmarked for the purchase of strategic materials, which include copper, zinc, and lead.

Mr. TABER. No; that is not exactly correct. Five percent is set aside. That represents these counterpart funds which may be used for that purpose, but the amount that is being used is very, very small.

Mr. Chairman, I do not believe that I can yield further at this point.

Mr. WHITE of Idaho. I think that is a very vital matter, I may say to the gentleman; I think the miners in our country should be given preference over foreigners.

Mr. TABER. It is; there is not any question about it.

The result of our examination of the receipts in this country indicates that the withholding tax is down, the other income taxes are down, and the refund of taxes is up \$80,000,000, indicating a total collection nearly \$400,000,000 less for this month than we were a year ago. This indicates that we need to economize.

The countries across the water are very gradually getting into a position where they need a little less than they needed before. We should not give them more instead of less. Right while we were holding the hearings it came up that the President had reduced the amount that would go to Germany under the ECA program by \$80,000,000 because they had increased their expected exports to other countries by \$100,000,000 and as a result they were able to get more of the things that they were able to import than they had before. The production in Germany is going up very rapidly as a result of that; they will go up another \$100,000,000, in my opinion, next year; perhaps they will go \$200,000,000 above. That same thing applies to the French and the British production, and the Italian production; as they approach the point where they are able to be more nearly stable, as a

result of sending out more of their own exports the amount that they will receive out of the ECA will gradually go down. We should as we go along gradually reduce this situation so that we will encourage these people to be self-reliant.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

What these countries need to do presently, as much as anything, is to stabilize their currencies on a sound basis. The French have approached it, but they have not done it; the British have withheld approaching the problem with a full sense of responsibility. If they would do that their exports would increase in France, Italy, and England, to such an extent that I believe the time can be seen in the not too distant future when they will need very much less aid. I hope that the Administrator will watch this situation very closely and that he will as he goes along reduce the amounts that are given to these countries just as fast as it can be done without slowing up their recovery. I believe that with this situation the cuts which the committee made really give them ample money to carry through the year.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. I might say to the gentleman that I noticed in the hearings on this bill that Dr. Fitzgerald of the ECA had testified as is shown on page 352 thereof that the Commodity Credit Corporation held about 55,000,000 pounds of wool, most of which is quarter blood wools and practically all of which was of low quality and low grades and was mainly carpet wools. Dr. Fitzgerald is wholly incorrect in his statement and I was sorry to learn that he had misinformed the committee. As a matter of fact, the Commodity Credit Corporation has a stock pile of something over 75,000,000 pounds of wool; 34,000,000 pounds of this wool is shorn, grease wool, and over 40,000,000 pounds is scoured, pulled wool. Accordingly, it can be said that the Commodity Credit Corporation is holding the equivalent of 100,000,000 pounds of grease wool.

A break-down on the wool in the Commodity Credit Corporation discloses that 32,000,000 pounds of the scoured, pulled wool is graded 56 to 58 and 20,000,000 pounds of the shorn wool is the same grade. Accordingly, 85 percent of the wool in the hands of the Commodity Credit Corporation would be highly desirable for use in Germany and in western Europe for processing for domestic purposes in those countries. There is no question that these wools would be of splendid use for blanket purposes.

I have made diligent inquiry and none of the wools in the hands of the Commodity Credit Corporation are carpet wools. The Commodity Credit officials have advised me that they do have about 10,000 pounds of forty to forty-fours but even these wools are not carpet wools and these 10,000 pounds represent but one-hundredth of 1 percent of the stock pile in the hands of the Commodity Credit

Corporation. Will the gentleman tell me what provision is made in this bill for the purchase by Mr. Hoffman of agricultural commodities in surplus in this country, such as wool and the 101,000,000 pounds of beef that the Commodity Credit Corporation has in northern New Mexico?

Mr. TABER. There is no mandatory provision in this bill for the purchase of anything. The funds are appropriated, and I understand that so far as surplus commodities can be used effectively they are going to use them for the purpose of meeting the demands of ECA.

Mr. BARRETT of Wyoming. I notice in the hearings that Dr. Fitzgerald testified, page 426, that it was the intention to acquire during fiscal year 1950, 6,000 tons of ECA-financed wool. Where are they going to get that wool, will the gentleman tell me?

Mr. TABER. I cannot tell the gentleman just exactly where that wool will come from. I have not that particular document in front of me. But I imagine a considerable part of the purchase of wool by participating countries will come from Australia. Of course, we are an importing Nation as far as wool is concerned.

Mr. BARRETT of Wyoming. That is true, but we do have 100,000,000 pounds of surplus grease wool or the equivalent thereof in the hands of the Commodity Credit Corporation.

Mr. TABER. Which should be used as far as it can be.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Has ECA used all of the funds provided for it last year and, if not, at what rate has it been using them? The gentleman said earlier in his statement that the amount supplied for the future would be at a more rapid pace than has been provided by ECA in the past. Therefore, I wonder how the rate compared with last year's appropriation and how fast the funds are being exhausted.

Mr. TABER. The expenditures for the first 12 months of operation from the 2d of April 1948 to the 2d of April 1949—it may be the 3d of April 1948 to the 2d of April 1949—were in shipments \$3,774,000,000, or at the rate of approximately \$315,000,000 per month. If they ship all of this stuff in the 15 months that is here, they would ship at the rate of \$391,000,000 a month if they exhausted all their funds. There is no question about that. I do not think they should do this. I hope they will not, because I really believe the funds that we have provided here should carry them through to the 30th of June next year and still leave them with pipe line enough to go on until new stuff may be purchased.

The CHAIRMAN. The time of the gentleman from New York has expired.

(Mr. TABER asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

[Mr. CANNON addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. CANNON asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WHITE of Idaho. Mr. Chairman, does the gentleman expect to yield to anyone in the course of his remarks?

Mr. WIGGLESWORTH. I would prefer to yield a little later.

Mr. WHITE of Idaho. If the gentleman has time?

Mr. WIGGLESWORTH. If I have time.

Mr. Chairman, this bill, as has been pointed out, carries \$50,000,000 for assistance to Greece and Turkey, \$850,000,000 for GARIOA and EROA and \$4,642,470,000 for ECA, or an over-all total of \$5,542,470,000, a reduction of \$779,730,000 below the budget estimates.

It provides for the full budget estimate for Greece and Turkey. It makes a 15-percent reduction (\$150,000,000) in the budget estimates for GARIOA and EROA. It makes a 12-percent reduction (\$629,730,000) in the over-all budget estimates for ECA.

I shall confine my general statement to the ECA item.

Mr. Chairman, I speak as one who has favored ECA from the outset.

Despite its enormous cost, in the face of the threat of world communism, I have believed the program to be vital to America from the standpoint of national security, having in mind our present relationship to the participating nations, including some 270,000,000 people, many of whom think and feel much as we do, many of whom stood shoulder to shoulder with us in World War I, or in World War II, or in both.

I have always believed, however, that we must not attempt more than we can and that the program must be carried out in the most economical way possible consistent with the recovery needs of the participating nations.

The program will continue. Every government in the world understands this. Congress has so decreed, specifically extending the program for another year and providing for a ceiling on appropriations amounting to some \$5,430,000,000 for the period ending June 30, 1950. Within that ceiling appropriations can be made at any time. The only question before us today is the question which we have in respect to every legislative authorization by the Congress, namely, the amount of funds that shall be made available now.

With a view to determining this question your subcommittee spent some three and one-half weeks of detailed hearings. You will find a great many tables of value in the hearings which help to summarize the work of the ECA to date and conditions in the various participating nations of Europe.

You will find, for instance, a table showing allocations, obligations, ship-

ments, and actual payments month by month. You will find a table showing the dollar deficiencies computed for each of the 18 participating countries. You will find a list of commodities to be provided on an over-all basis and by country under the proposed program. You will find a table showing the prices used by ECA in fixing the cost of those commodities.

You will also find tables in respect to each of the participating nations giving populations and areas, standards of living compared with prewar standards, production and agricultural indexes in terms of the prewar period, hours of work and rates of production, capital investment programs, budget surpluses and deficits, taxation in terms of percentage of national incomes, currency values, exports and imports, dollar investments, non-ECA financing possibilities, drawing rights, and the use of counterpart funds. There is a wealth of information embodied in the hearings.

When I look back to the presentation made to your committee a year ago, I feel like expressing my appreciation to Mr. Hoffman for the vast improvement made in presenting the facts this year. I congratulate him in this connection, and also upon the contribution toward recovery which his organization has made in this critical period of the world's history.

During the first 12 months of the ECA program there has been real progress made toward recovery in western Europe. No one can read the hearings without appreciating that fact.

Among other things, it is reported that the output of factories and mines, speaking of Europe generally, is nearly equal to that of prewar days. The output of steel, if we except western Germany, is 30 percent above the prewar output. Electric power production is 40 percent more than before the war. Crops, in general, although 1947 was a bad year, are reported up 20 percent from that year. Exports, if we again exclude western Germany, are reported up 20 percent as compared with 1947.

The hearings deal with each participating country in detail.

There is still much to be done, however, Mr. Chairman, if Europe is to be put on a self-supporting basis. The record emphasizes that there will be some 27,000,000 more people to feed and clothe in 1952 than in 1938; that property destroyed by war must be restored; and that exports must be increased by some \$3,000,000,000 over prewar figures to offset the loss of income from investments abroad and other so-called invisible items in the over-all balance of payments.

Furthermore, Mr. Chairman, budgets must be balanced with reasonable tax burdens on the people, currencies must be stabilized in realistic terms, capital investment programs must be regulated so as to avoid inflation, and the European economy, insofar as practicable, must be integrated. These are fundamental to the success of the program.

I want to point out, Mr. Chairman, that the dollar needs for each country are presented this year in terms of a so-called illustrative balance of payments.

You will find the computations in the hearings for the various nations concerned. Speaking generally, the balance-of-payments tables seek to determine the amount of imports essential to a given country that cannot be paid for out of the exports of that country or be obtained from nondollar sources. The resulting figure, the so-called dollar deficiency, is the yardstick used, subject to certain modifications, to represent the necessary ECA financing.

I have always been very skeptical of this dollar deficiency yardstick.

In the first place, it is not an accurate yardstick because you no sooner determine by using the yardstick what the needs of a given country are than you find that there are drawing rights in favor of that country or against that country which make the original figure rather meaningless.

In the second place, Mr. Chairman, the yardstick, in my judgment, is unsound in principle. It is unsound in principle because it places the emphasis on results rather than on causes, on symptoms of the disease rather than the disease itself. If it were taken at face value, it would place a premium on faulty domestic policies, upon the failure to do in this or that country what should be done with a view to making the plan a success. The more faulty the domestic policies the greater, generally speaking, becomes the dollar deficiency, and the greater the apparent need for ECA dollars.

I cannot but recall the remark of a distinguished European some time ago in this connection, when he said in substance, "Give me control over the fiscal and exchange policies of any country in Europe, promise to meet the dollar deficiency in my balance of payments, and I will show you the dollar deficiency."

Back in the twenties, as some of you recall, I put in some 4 years in Europe in the office of the agent general for Reparation Payments, which was concerned, among other things, with the economic recovery of Germany after World War I. There were somewhat similar organizations in Austria and in Hungary at that time, with which we were in frequent contact. In those days the emphasis was always placed on the fundamentals to which I have referred. The balance of payments was incidental and was supposed to respond to other factors.

Mr. Chairman, unbalanced budgets, overvalued currencies, limiting exports, too great investment in capital programs in reference to savings, lack of production, and in this instance lack of international cooperation and mutual aid—you will find them all discussed in the hearings—these can prevent the program from achieving the success that is so vital in terms of world peace.

It is to be hoped that the months immediately ahead will indicate substantial progress in dealing with these fundamental elements in the over-all program.

Now Mr. Chairman, just a word as to dollars and cents.

The amount made available for direct aid during the first 15 months of the program ending June 30, 1949, was approximately \$5,000,000,000.

During the first 12 months of operations ending April 2, 1949, \$3,000,000,000 was required for reported shipments and \$3,700,000,000 for estimated shipments. This bill provides \$4,642,000,000 on an over-all basis for the period of 15 months ending June 30, 1950, or \$3,568,470,000 for the period of 12 months ending June 30, 1950.

Based on a total of \$3,000,000,000 of reported shipments in the first 12 months, ending April 2, 1949, we arrive at an average figure of \$250,000,000 a month during that period. Based on a total of \$3,700,000,000 of estimated shipments during that same period, we arrived at an average figure of \$315,000,000 a month for the period, with a pipeline of at least \$1,200,000,000 adequate in terms of actual experience to take care of the months of May, June and July in the current fiscal year.

The suggested appropriation of \$4,642,000,000 for the 15-month period beginning on April 2, 1949, and ending July 30 of 1950, will permit monthly shipments at the rate of \$310,000,000 a month, leaving a pipeline at the end of that period of \$1,200,000,000 or in the alternative shipments at the rate of \$390,000,000 a month if the pipeline be exhausted during that time.

Furthermore, Mr. Chairman, recovery is proceeding in Europe with increased momentum; large balances of counterpart funds have yet to be expended; some \$145,000,000 available, for guaranties for private enterprise in Europe have yet to be utilized; as recovery proceeds non-ECA financing should increase rather than decrease; the appointment of a high commissioner to Germany who will control both ECA and GARIOA funds may well result in savings; and prices for commodities are generally falling.

The majority of the members of your subcommittee felt that price declines alone justified a \$182,000,000 reduction in the over-all request. Frankly I think this estimate is a conservative one in the light of future markets for grains and other commodities on regular exchange and support prices set for some of our major agricultural crops.

These and other general considerations should be taken into account in considering the picture as a whole.

Mr. Chairman, I want to give the House one quotation from Mr. Hoffman. At page 687 of the hearings, he makes the following statement:

Our entire planning has been directed to one and only one thing, that is, the termination of this program on June 30, 1952. And furthermore, we have made it clear to all the European nations involved, almost from the first day we started business, that the program of aid had to be on a descending scale; that the largest volume of aid would come in the first year, and a considerably lower amount in the second, third, and fourth years—each year a lower amount. That is understood; that is accepted by every government in Europe as a fact.

In other words, Mr. Chairman, it is understood by all the nations concerned that the program is to taper off. It must taper off, of course, if there is not going to be a violent transition at the conclusion of the program in June of 1952.

In the light of this statement, in the light of actual experience to date, in the light of the general factors to which I have referred, it is difficult for me to believe that we cannot safely impose the cut recommended in this bill—a cut calling for a reduction of 12 percent in the over-all budget estimates for ECA; a cut representing a reduction from about \$5,000,000,000 to \$4,642,000,000 on a 15-month basis, or a reduction from \$3,700,000,000 to \$3,563,470,000 on a 12-month basis; a cut which permits shipments averaging \$310,000,000 monthly against estimated shipments in the first 12 months of the plan averaging \$315,000,000 a month; a cut which would leave at the end of fiscal year 1950 a pipe line of some \$1,200,000,000.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself three additional minutes.

Nevertheless, Mr. Chairman, in view of the tremendous importance of the program; in view of the desirability if possible of unanimity in action at this particular time; in view of the assurances which I understand Mr. Hoffman has given to the effect that he will do his utmost to make the appropriation carried in this bill cover the full 15-month period; and in view of my confidence in him I am not going to oppose the proposed amendment giving him the leeway he desires.

I want to see whatever is necessary provided insofar as we can provide it safely. In view, however, of the extremely grave conditions by which we are confronted at home our contribution must be held to a minimum.

I realize, Mr. Chairman, the tremendous importance of the success of the ECA program; it must succeed. I realize also, however, the tremendous importance of the economic and financial stability of America.

Incidentally, Mr. Chairman, every nation participating in the ECA program has a tremendous stake in that stability.

To impair the financial and economic stability of America would be a tragedy not only for America but for the entire western world.

Mr. GARY. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. McGRATH].

(Mr. McGRATH asked and was given permission to revise and extend his remarks.)

Mr. McGRATH. Mr. Chairman, there is but one question presented in the bill under consideration, the same question that concerned your subcommittee in its deliberations: Is the amount submitted in the bill a wise and judicious appropriation to implement the action of the House of Representatives?

On April 19 this body adopted in principle the theory that the ECA must be continued. The enactment of Public Law 47 was an unequivocal expression of a deliberate determination by the Congress that America should participate in the economic rehabilitation of Europe. In considering this from an appropriation viewpoint, your subcommittee was

guided by the thought that we should allocate only such an amount as would adequately implement the statute and accomplish the will of Congress, keeping always in mind that the sum thus made available for the maintenance of democracy would be prudent and sound.

The argument will be raised that we have not perhaps appropriated for this or that domestic project, but I respectfully submit that in appropriations the test should be, is the amount now allocated the proper amount for the particular purpose and then the sum total of all appropriations must be balanced against our national economy. To argue that we did or did not appropriate money for a particular cause that might or might not be wise would merely open the door to an endless and fruitless discussion of each and every one of these items. Your committee, therefore, has kept in mind your recommendations of last April, and has kept in mind the underlying reason and cause for your action: the realization that only through re-establishing Europe on a sound economic footing can we halt the onslaught of communistic Russia. Bear this in mind: No nation in the history of the world has acquired control and domination over so large an area and of so large a number of people at so little cost. Russia has devoured Yugoslavia, Hungary, Estonia, Latvia, Bulgaria, Czechoslovakia, Poland, and others with the loss of hardly a soldier and at a minimum financial cost. This was accomplished by internal unrest fomented by fifth columns and augmented by disorganized national economics. The Red tide swept at its full flood to the very gates of Italy. It was feared by many—and I daresay this fear was shared by not a few members of this body—that Italy, too, would be engulfed in the crimson deluge.

But the people of Italy, inspired by their faith in the American brand of democracy as evidenced by our ECA program, raised a dike constructed of faith and courage, and dammed the red raging flood of destruction. The cruel red waters beat furiously yet against this dam. Dare we lower it by 15 percent?

The European recovery program has been a success. The participating countries have a renewed faith in their ability to solve their internal problems and they recognize the aid and guidance our Government has given to them. These countries have made great progress in expanding industrial and agricultural production. Industrial plants which had been destroyed either entirely or partially today are rebuilt. Men and women are finding employment, homes are being reestablished, and in the hearts of these people there is the realization that Uncle Sam has made all this possible.

The balancing of a nation's budget is one of its first steps toward recovery. The ECA has insisted that these budgets gradually be brought into line. Some nations whose tax structures have been archaic and poorly administered have sought the aid of tax experts in our country so that the tax burden can be justly spread over all the people of a given land.

Exports which will create employment have gradually been improved so that it can be predicted that in 1952 this program can be ended and Europe will be on a self-supporting basis.

The standard of living of the people has risen as evidenced by the chart on page 67 of the testimony which shows that most of the countries are approximating the level of 1938. It must be borne in mind, however, that this was well below the American standard at that time, and far below our present standard of living.

It has been submitted that economic conditions have not been improved in Italy by the ECA.

We have allotted to Italy from June 1948 to March 1949 \$349,000,000 and have loaned to that country \$42,000,000, which is roughly 90 percent in grants and 10 percent in loans. This year Italy will receive about \$530,000,000. Should we not then look at the picture Italy presented before the Marshal plan came into being? We all recall how Communist-inspired traitors attempted to tear Italy asunder, to halt its production, and to sabotage and destroy. Their objective in Italy, as it is in every other nation on the face of the earth, was to undermine the confidence of the people in their institutions, to destroy their courage and faith, their hope and their honor. Once this is accomplished, Soviet Russia adds another link in the chains she has forged for world domination. Consider, too, how bruised by the cruel heel of fascism and bled white by the disastrous war, these good but unfortunate people were left floundering in a morass of despair with no helping hand offered to them save by America. True, Russia offered the hammer and the sickle. Russia offered economic and moral slavery to a liberty-loving and honorable people. Would the opponents to this plan return Italy to those dark postwar days or would they not rather see that lovely land as it is now with a stabilized national government, with its national pride reestablished, and hope again blooming in the breasts of her people? What would the opponents to this plan offer? What do they offer?

Yes, there is unemployment in Italy to a number of approximately 1,700,000. Yes, there is an antiquated tax system which has placed the burden on the low-income groups and to a large extent exempted the wealthy. The Italian Government recognizes these facts and is preparing a new tax system whereunder all men will stand equally before the law. They have men here studying our tax program so that improvements can be made in their own. Further, they have been successful in the last few months in collecting huge sums from wealthy tax evaders, and this action has been sustained in their courts.

Italy's most vexatious problems currently are unemployment and housing. The testimony contains the answer to my direct question as to what was being done by the ECA and the Italian Government on these matters. I quote:

The Italian Government and ECA feel very strongly that there ought to be a considerable acceleration in the rate of construction of new housing accommodations.

We have indicated to the Italian Government our strong support for that kind of program, and the Italian Government hopes greatly to increase the rate of housing construction in the new fiscal year.

To abandon or even to curtail this program now would certainly add to Italy's unemployment, aggravate her housing problem, and serve to weaken an important cog in the economic machinery of Europe.

Now I would like to pay tribute to the Government of Italy because it has been one of the leading forces pressing for economic cooperation as well as closer political ties with the democracies. Italy has vigorously sought economic union with France. She has worked assiduously in negotiations for trade agreements with her neighbors.

We must never forget in looking at this picture that the Italian Government is now only about a year and a half old and that she is striving for and is actually reestablishing the principles of democratic government which had been denied to her for almost a quarter of a century.

It has been said by our ECA Chief in Italy, who summed it up concisely when he said:

Wherever I have gone in Italy I have found a deep and sincere appreciation of American aid on the part of Italians in all walks of life. All except the Communists who follow the party line of obstruction and chaos, reveal a heart-warming understanding of and a profound gratitude for American assistance in this joint effort to preserve the western way of life.

The ECA has a twofold program: Immediate assistance and the solution of long-range problems. The end of the war found Italy in a chaotic and pathetic condition. All means of communications were utterly disrupted or destroyed; manufacturing plants suffered the same fate; port facilities were wrecked; housing suffered tremendous losses; a flourishing merchant marine was completely wiped out; the colonies were gone; and the general state of the Italian economy was completely prostrated. Disease and famine were reaping a tremendous harvest, hope and faith in a better future had disappeared, and the people of Italy were easy prey for malignant forces, revolution and communism. The immediate objective of ECA which was to bring order where there was chaos, hope in place of despondency, and life in place of paralysis and prostration, has been fully realized at this early stage. Italy is back on its feet. Industrial plants are working, means of communication have been almost completely restored to its prewar level, port facilities are in reasonably good order, food is available, inflation has been stopped, communism has been defeated, and a fairly stable government has been established. All this is due primarily to ECA without which Italy today would surely be behind the iron curtain.

The ECA has been a successful undertaking and its dividends will be paid to the American people now and in the years to come by the democratic forces of Europe. It may be argued that we are spending money for foreign lands

and foreign people. We will be questioned: "Where is the money coming from?" Certain groups will cry out against this appropriation because they have orders to keep clear the path for Soviet conquest. We owe them no answer. By their obvious and overt treachery they have forfeited all right to query us. But to the well-intentioned and economy-minded among us who raise this question we can only say that the money is coming from the American workingman's pocket and from the pocketbooks of American women. It is coming from the great middle class American men and women and it is coming from the wealthy. We recognize that the ECA and the Atlantic Pact can stop Russia. The American fathers and mothers do not want another war if it can be avoided. They will willingly pay taxes to avoid war because they know that if war comes not only will they pay greater taxes than this bill provides but they will pay in wealth infinitely more precious than gold or silver.

Mr. Chairman, I wish it were possible to take every penny of this money and appropriate it for heart and cancer research, to appropriate it for social welfare and the comfort of our people, to make our harbors better and to harness our water power, but in this world at this moment that cannot be done. If this Marshall plan had not come into being, all of western Europe would now be under the heel of the Kremlin. All of the hope and ambition of the people would have been crushed under the worst dictatorship in history. I care not if there are a few who will not appreciate what America has done but I believe that the great mass of people in Europe know that it is the United States of America that has saved civilization. Yes, Mr. Chairman, we should appropriate this money and we should pass this bill so that the countries of Europe which have given so much in the centuries past in every cultural field, and whose sons and daughters have built this Nation that is America will realize that we have not failed them.

By our action today, we will serve notice upon the Communist state, "You have gone far enough. Your aggression is ended and it is stopped by the democratic forces in the world."

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. YATES].

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. YATES. Mr. Chairman, I want to pay tribute to the Chairman of my committee and to the other committee members. I enjoyed my work on the committee very much, a fact which is attributable in great measure to the people who sat on the committee. The gentleman from Virginia [Mr. GARY] the chairman, did an excellent job. He handled the hearings with great ability and intelligence, and made certain that

every matter of consequence had thorough consideration.

It was a great pleasure to sit with the gentleman from New York, Judge McGrath, on the majority side. His long experience on the bench served us well in his patience, his analysis and his wisdom.

I enjoyed very much working with the gentleman on the minority side, the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH]. It was a real experience to watch them in action, to follow the thoroughness with which they work.

New Members of Congress frequently are subject to feelings of frustration. It takes time to acquire the somewhat hardened fatalistic attitude, which marks the experienced Member, and until one has been through the mill a number of times, he takes keenly what he considers to be a miscarriage of the legislative process.

I must confess to that feeling of frustration now when we are considering the ECA appropriations bill.

For nearly 4 weeks the subcommittee of the House Appropriations Committee held hearings on the Marshall plan. We studied, examined, and critically scrutinized every aspect of the European recovery program. We realized every expenditure of the Government must be carefully weighed and every nonessential expenditure eliminated.

We considered the effect of price reductions on the program and reduced the estimate by a figure which we believed represented an accurate estimate of the effect of lower prices on the cost of the program during the coming year. We investigated thoroughly ECA's estimates of commodities needed from dollar areas by the participating countries and the thoroughness of the screening methods employed by ECA in arriving at them. On the basis of this comprehensive review of the program, the subcommittee brought in a figure for the fiscal year of 1950 which was lower by \$272,700,000 than that authorized by the Bureau of the Budget. We felt that this was the absolute maximum amount by which the appropriation could be reduced without seriously delaying the recovery program and without a costly setback to the recovery which has already been achieved to date.

And yet, in spite of our thorough hearings, in spite of the hours, the days, the weeks we put in, painstakingly listening to the many witnesses who appeared before us, checking the enormous amount of financial data submitted—all this effort is brushed aside in the name of economy. A blanket, across-the-board meat-axe cut of 15 percent is approved. Why appoint a subcommittee? Why hold hearings? Why go to the vast expense of recalling witnesses from all parts of the globe, when such arbitrary procedure is to become the action of this Congress? I am fully cognizant of the arguments advanced, that we are in a declining economy and that we must retrench.

I, too, am in favor of the economical operation of our governmental program, but I certainly am not in favor of retrenchment where it may very well do

irreparable harm to our domestic economy and jeopardize our position in responsible world leadership.

Last month we heard the Foreign Affairs Committee describe on this floor the significant achievements by ECA in starting western Europe on the road back to economic recovery. Those speeches described the new investments, the building of new plants, the expansion and modernization of old plants, the mechanization of farms, the housing programs and many other projects of economic activity and expansion which have been instituted during the past 12 months under the stimulus of the European recovery program. Perhaps the members of the Foreign Affairs Committee spoke too eloquently or perhaps they overemphasized the first year's achievements and did not sufficiently explain to the House the relationship of the achievements already made to the ultimate objectives of the recovery program. For this cut would do much to gut the program before European recovery is achieved.

The coming year is the most crucial year in the entire effort. We undertook this program originally, not entirely out of altruism, but because we realized that the presence of a healthy economy in Europe was absolutely indispensable to the continuation of a healthy economy in the United States—that if world recession of trade with its resultant political repercussions was to be avoided, the people of the United States must reestablish the basis for a sound, normal trade between Europe and the Western Hemisphere. I submit that this program was not designed primarily for the benefit of the Europeans, but was designed as much to advance the self-interest of the people of the United States. And when we cut into this program so seriously as to threaten its ultimate success, we are tampering with the economic and military security of the people of the United States.

Mr. Chairman, it is true that during the past year by virtue of the tremendous assistance rendered by the United States some production levels in western Europe have come up to and even exceeded production levels of 1933. Yet the living standards of the peoples of most of the participating countries still lag far below the prewar living standards. Some of the countries most seriously devastated by the war still find themselves on little more than a subsistence level. In several of the more fortunate parts of Europe which were relatively untouched by the war, the living standards are closer to those of prewar. However, any talk of prewar production levels is entirely misleading. The increased population in Europe during the past 10 years, the devastation wrought in factories and homes and the consequent need of replacements, the widespread obsolescence of plants, tools, equipment and machinery which has accumulated during and since the war, and the loss of important overseas earnings makes necessary that the production levels of Europe must far exceed those of 1933 before it can be accurately said that economic recovery has been achieved.

I had assumed that there would be no need to discuss the merits of the ECA program. I had assumed that this Congress had already approved that program by its passage of the authorization bill. However, this curtailment in the funds is necessary to give realistic implementation to the operation of the program makes me wonder whether we are not in fact reversing that approval.

Our conception of economic recovery must envision a western Europe which is able to stand on its own feet, capable of producing and importing the commodities necessary to maintain itself. It is essential for these countries to be able to import the commodities produced in the United States which they need to maintain their economies and to be able to pay for those imports with dollars which they earn by selling goods and services to the Western Hemisphere. We intend to reestablish in western Europe a normal market for American commodities, a market which but for Marshall plan dollars would be almost entirely extinguished today because of the lack of dollars in Europe and the inability of the ERP countries to earn dollars which they can spend in the United States. Members of this House are receiving letters from constituents asking why they are unable to export to Europe goods which they normally exported before the war. Many of these producers and exporters ask why they cannot receive export subsidies from ECA to enable them to ship their exportable surpluses abroad. The plain fact is that there are not enough dollars available. Only if ECA dollars are efficiently used to promote recovery in Europe as quickly as possible can these normal export markets for United States' producers be reestablished.

Early in this session we passed a program to promote reciprocal trade. With whom is it proposed that we shall trade? The products of this country must be paid for in dollars. Our people will not take pounds, or franks, or marks, or lire, or guilders. They want to be paid in dollars and will continue to demand payment in dollars until confidence is restored in the validity of foreign currencies. That is the aim of ECA—to put the European nations in a position so that ultimately they can trade with us—that they can earn enough dollars so that they may buy our products.

Now, what are we doing? Just as we are getting a recovery momentum started, getting new plants and factories under way, getting a flow of new machinery into the pipeline to Europe, rebuilding the confidence of European business men and workers in their economic and political systems so that this great recovery effort could go forward, some economy-minded Members of this body decide to slash this program to the bone. There is a point beyond which this aid is of no use. It is the old story of too little, too late, throwing a 10-foot rope to the man 15 feet offshore. If we do not believe in this program, let us kill it entirely and do it quickly. Let us not strangle it slowly because that is more painful and will be much more expensive to all of us.

A substantial portion of this reduction will come out of the standard of living of the peoples of the participating countries. The peoples of Europe, who are genuinely seeking to build their productive facilities will tighten their belts; they will economize first on consumer items such as cereals, tobacco, fats and oils, and cotton for clothing before they will sacrifice recovery items such as machinery and tools and raw materials. This means that we will be pushing the living standard down after we have worked hard to raise it. This means that we are willing to risk destroying the increase in morale on the part of the people of western Europe which we have been carefully building over the past year.

I often hear the statement that the United States is facing a period of mounting surpluses. Yet we are at one stroke cutting into an appropriation which in the short run would help move American commodities to Europe and in the long run is designed to rebuild our permanent export markets. It seems to me that this is an illogical and unrealistic kind of economy.

About 5 weeks ago we voted almost \$16,000,000,000 for a military budget. Where was the economy drive then? And yet, in this program, which to my mind is even more important to our national security, because it builds democracy, which is essential to our position in a friendly world, we retrench.

Let me read you a portion of the speech made by one of our truly great statesmen, Sumner Welles, which he delivered before the Rochester Institute of International Affairs on December 11, 1948:

The overshadowing issue is whether an American foreign policy which is formulated primarily from the military and strategic viewpoint, which regards force or the threat of force as its sole effective instruments, which envisages little more than the need to check Russia can prevail in a contest with a force which is so eminently dynamic as the force of Soviet communism, backed as it is by the manpower and the resources of the vast Russian Empire. We have every reason to fear that even though actual war may be averted, the United States will be engaged in a losing fight, unless American foreign policy becomes the instrument of a democracy which is quite as dynamic as communism, unless that policy offers the peoples of the earth the positive assurance that the United States seeks collective security rather than national aggrandizement.

We have successfully won the peoples of Europe because we have given them the opportunity for security, peace of mind, and hope for the future. We have helped remove the threat of hunger, unemployment, and mass starvation, and in so doing have eliminated the master propaganda weapon. We have so revitalized the will of these peoples to maintain democratic governments that a series of political and diplomatic defeats have been administered to the Russians in the cold war.

A few days ago the Secretary of State left for Paris. When he left, the United States was in the most advantageous political position with Russia that we have been in since the end of the war.

That was true then, but I seriously doubt if it is true today. I suspect that our action has done more to embarrass the Secretary of State, to unsettle the minds of our European allies, and to encourage the Russians than any single incident of the past months. A week ago the nations of western Europe felt that their hopes for economic recovery were secure and certain. Today they cannot have that same feeling with any certainty. A week ago they felt their economic and military alliance with the United States was a bulwark upon which their positions in Europe rested. Today they must be seriously shaken.

It seems to me that those who have blindly gone overboard in the name of economy have forgotten that we still have commitments to the people of this Nation and of the world in which we live. While some reappraisal may be necessary with time and change, we cannot renege on our obligation to those who depend upon us.

Economy must be tempered by reality. Of much greater significance than the dollars involved in this bill is principle—the principle that American policy cannot succeed until it convinces the people of the world that America is dependable.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. VORYS].

THE ECA GUARANTY PROVISION

Mr. VORYS. Mr. Chairman, I want to congratulate the committee on the statesmanlike job they have done in reducing the original estimate and the budget estimate to a size that bids fair to fit our budget, and on the amendment, which is apparently agreed to, which provides enough flexibility so that this program can proceed. I hope this second year will show the amazing success that has resulted in the first year under the splendid administration of Paul Hoffman and his associates.

I want to talk about a little item of \$150,000,000 which apparently was not considered very much by the Committee on Appropriations and is not being considered very much by ECA. It has to do with the guaranty provision in the ECA law. We provided a guaranty last year but it turned out not to be very useful because it merely provided for converting the principal amount of any investment back into dollars provided the amount is earned or paid in foreign currency. This year in the bill which you passed we broadened that guaranty so that anyone who makes an investment which is approved for guaranty can convert from foreign currencies into dollars not only what he paid in the original investment but any earnings or income produced in the foreign currency. The amount earmarked for guaranties is \$150,000,000. It does not amount quite to that because they have already used \$4,239,014 from it, but still over \$145,000,000 is available as guaranties, particularly for capital equipment.

In the tables furnished in the hearings is an item of \$816,500,000 for "Capital equipment," with no further explanation or break-down in the tables that I have been able to find with the assist-

ance of the members of the Committee on Appropriations and their staff; \$816,000,000 is a lot of money. That is a lot of capital equipment, but capital equipment is not like wheat or coal or something like that, that when you say it once you have described all of it. There are all kinds of capital equipment involved but not described. I find no reduction made in the estimated prices of all this capital equipment. What I hope to find out is that some of these cuts in appropriations have been made up by using this guaranty which is provided in the basic law. I say this for one, that if along next spring we are told that all of this appropriation has to be spent by May 15, and I find that none of this capital equipment is being furnished through guaranties, then I am going to be most reluctant to appropriate more give-away or grant money, when I find that the pay-back money, the guaranty money, is not being used.

It is my hope that these appropriations will be tight enough, a close enough fit, that ECA and the people in these countries will seek out this method of obtaining \$145,000,000 more of capital equipment from this country.

When the authorization bill came to Congress it provided for \$150,000,000 of contract authorizations to go beyond fiscal 1950. We struck that out in our committee but we put into the guaranty language a provision that "includes the furnishing of capital goods items and related services for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950. So that the forward contracting authority that ECA asked for is in the law, but it does not require the appropriation of dollars.

If the guaranty is used, and we have to pay because foreign currencies cannot be converted, we get back, instead of merely a veto on counterpart funds that some other country holds, payment in full in the currency of another country. It is my hope that private enterprise in this country, the ECA administration, and these other countries, will use this method of getting \$145,000,000 worth of capital equipment over there plowed into the recovery and development of Europe. If they do not, and then come around and say that they need more money next spring, somebody is going to ask them questions, and somebody's face is going to be red. I find nothing in the hearings of the Committee on Appropriations about the guaranty. Of course, it does not require any appropriation, but it is strange to me that the ECA did not call the attention of the Committee on Appropriations to the fact that here was \$145,000,000 available for the purposes of European recovery. I hope the Members of Congress will study this matter because that may be the only way recovery is going to work in the long run. In 1952, when the program of grant money stops, it may be necessary to provide, through guaranties, or loans, some sort of credit facilities so as to bridge the gap while there is still a temporary dollar shortage. In the future, under the President's point 4, we are going to have to provide some

method similar to this guaranty so that when we furnish goods abroad but get paid back for those goods. We had better start pioneering this year. I want to see examples of how the ECA guaranty worked, instead of excuses as to why it was not used.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, this bill calls for the expenditure of \$5,542,470,000. There are about 30 or 40 Members here on the floor right now considering this very important bill. If you give \$1,000,000,000 away it costs every man, woman, and child in America \$7. Here you are giving \$5,500,000,000 away, which means \$38.50 for every man, woman, and child in America. If every Member of Congress went back to his district and told every man, woman, and child he met that their assessment for this relief under ECA this year was going to be \$38.50, I wonder, if you tried to take up a collection, and you passed the hat around, how many people in your district do you think would put \$38.50 in the hat? You would find that there would be mighty few. But, what is happening? You are the elected representatives. With all the propaganda going around to try to get you to vote to give these billions and billions of dollars away, you say to your taxpayers you have to pay the bill. You are talking about more taxes to run this Government. I tell you right now that I do not want my taxpayers to come down here to me and say, "You Members voted these taxes and you are strapping me to death. I do not want these taxes on everything that I have to buy." Nevertheless, the Members of Congress are voting for these great expenditures, and evidently they want things to be this way. People are hollering for less taxes. Give them less spending if you do not give them less taxes.

Mr. Chairman, what are we doing with this money? Is it being spent wisely, economically, and soundly? I say "No." I am going to show you a few things that are being done under ECA which I think are just downright ridiculous—just downright ridiculous. Let us see here—you are bringing 23 men from Korea, 23 men to travel all over the United States for 9 weeks to tell the people in the cities how much they appreciate what Uncle Sam is doing for them through ECA. That is going to cost you a couple of thousand dollars apiece, or even \$3,000 apiece to bring each one of those fellows over here to go around telling Uncle Sam what good people we are. You pay the bill. You are going to spend a hundred thousand dollars to do that. Why do you not get them to write a letter here and tell us that they appreciate the money we are giving them, so that we can put those letters in the newspapers—or bring the letters down here and I will put them in the CONGRESSIONAL RECORD. That would cost little. That ought to be just as good. But no, you want to tax my people \$100,000 to bring that crowd over here and have them have a good time running around telling how Uncle Sam is treating them so nice. You are not

only doing that for the people of Korea, but you have a lot of these missions. Let us look at a few of them. You have a group of six Norwegian technicians to visit the United States to study American methods of mining, paper making, and steel making.

That makes nine groups coming here under the Marshall plan to travel all over the United States to learn something about what we are doing. We could teach them by giving them something to work at, by letting them do something to help themselves, by telling them and showing them how we do things. We could assist them in many ways without having to have them come over here at our expense.

You have sent seven missions of union members from the United States to deal with trade-unions in European countries to try to tell them how to run their unions. Good Moses and Aaron! What is the matter with you? Do you not think they know that much?

You have brought over a lot of foundry workers from the United Kingdom under ECA funds to teach them foundry methods. Why not send one teacher and some books over there?

You are sending ECA missions to Belgium and other countries to work out their labor problems.

I do not believe in all that. I think it is money ill spent. You have in here \$1,800,000 for the Italian counterpart fund.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman from Pennsylvania five additional minutes.

Mr. RICH. Italy was one of the countries who started to fight France before we got into the war—our enemies at that time—they went over there and raised Ned, yet now we are going to help the Italians rebuild their villages, their roads, and their aqueducts, and we are spending \$21,600,000 in Italy for those purposes. It is nice that you can go it, but gracious goodness, your taxpayers cannot afford it, and you have not given your own people a thought on things they want. Remember, the countries you are helping do not have a total indebtedness of \$90,000,000,000, but in America we have a debt of \$250,000,000,000. Some day, when our country goes broke and these other countries are around doing business, do you think they are going to do anything to help America? Why, you are called Uncle Shylock over there now. [Applause in the gallery.]

I am glad you girls came. I have got more friends, Mr. Chairman, in the gallery than I have downstairs here, and I have got more friends back home than I have got down here. Lord bless you. I love every one of you. Some of you I try to take out and beat on the golf course. But to get back to the bill, I tell you right here and now that you have got to get serious about this thing of squandering. This just cannot go on. We should realize our domestic situation. When you stop to think of all the money that is being spent for propaganda in the United States to get us to spend money

to help somebody else, it just does not make sense; and I say that the Congress of the United States is the easiest bunch of fellows I ever saw roped in in all my life.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to my colleague from Iowa.

Mr. GROSS. On page 3 there is a provision which states that an amount not to exceed \$500,000 shall be available for expenditures of a confidential character other than entertainment, which we ask no accounting for. What is that for?

Mr. RICH. I do not know, and I do not believe there is a Member present who knows what it is for, and yet we are going to include it in this bill.

Mr. GROSS. Does the gentleman realize that there is also an item of \$30,000 for entertainment in this bill?

Mr. RICH. \$30,000! I am willing to bet that is not the tenth of it.

Mr. GROSS. That is what it states here.

Mr. RICH. I do not mean to say that the gentleman from Iowa does not know what he is talking about, for the gentleman certainly does. He is a good sound legislator.

Mr. Chairman, I hope we get a roll call on this bill and that we will get 220 Members at least to vote against it; then we will send it back to the committee, and we ought to send it back to the Committee on Appropriations. You know that committee is not looking after Uncle Sam, they are not interested in our domestic affairs, the whole committee. I do not like the committee—I like the individuals personally—because they are giving us away, and I do not like the foreign affairs plan or program one bit; it just does not suit me at all.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. RICH. I yield.

Mr. GROSS. Does the gentleman think we should spend \$30,000 to give away the taxpayers' money, to pour it down assorted drains in foreign countries?

Mr. RICH. No; I do not think so. This makes \$92,000,000,000 that the American people have given away. A lot of men come in here and say that we are giving all this away to keep from having another war. You never kept out of war by talking about war all the time. Whenever a man wants to get into a fight he can get into a fight without any trouble. If I wanted to get into a fight I could do so without any trouble at all, and if I saw a man walking down the street with a chip on his shoulder I would probably knock the chip off his shoulder to see what the fellow would do. That's the way you get in trouble. We are spending \$15,000,000,000 a year here for defense. We talk about some of these nations of the earth, getting in war, we give Russia \$12,500,000,000 in lend-lease; they get all that equipment over there, and what happens to it? We find ourselves having to spend \$15,000,000,000 a year to try to keep prepared to combat the \$12,000,000,000 that we sent over there. That is serious; that is serious.

My time is about up, but, remember, when it comes to voting, if 219 or 220 Members vote against this bill we will be doing the whole country a great service. Now and future generations.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GARY. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Michigan [Mr. SADOWSKI].

Mr. TABER. Mr. Chairman, I yield the gentleman 4 minutes.

(Mr. SADOWSKI asked and was given permission to revise and extend his remarks and include certain excerpts and tables.)

THE MARSHALL PLAN, TAXATION, AND WORLD TRADE

Mr. SADOWSKI. Mr. Chairman, the issue in the next campaign will be taxation. There is no way to dodge the issue. Our friend and colleague from Pennsylvania, ROBERT RICH, is absolutely right, and those who ignore the warning—and I do not care whether they are Democrats or Republicans—will have a tough time in the next election. You cannot go to the people of the United States with a \$45,000,000,000 budget and a \$45,000,000,000 tax bill, if you please, when the income of the American taxpayer will be back on the basis only slightly above that of prewar. During the war, when people's pockets were bulging with money made out of war profits and war wages, it was possible to meet this inflated tax bill. Now the simple truth is we just cannot meet it any longer. We must cut the budget at least seven to eight billion dollars. This can be done. It must be done. A 5-percent cut in appropriations right across the board, as has been proposed by some Members of the House and Senate, is a lot of silly nonsense. There are only two places where real cuts can be made, and that is on the appropriations for all foreign-aid programs and on the \$16,000,000 military authorization.

When I heard that the Appropriations Committee had cut this ECA appropriation by 15 percent, I was considerably pleased. Then this morning I learned that a compromise had been reached whereby this money will be spent in 13½ months instead of 15 months, which action actually nullifies the 15-percent cut and the reported savings that were to be made.

Now, Mr. Chairman, we have received plenty of warning from the best economists in this Nation, and the Department of Commerce reports and the reports from the Labor Department definitely prove that we must cut our tax bill by \$7,000,000,000 because the revenues will not be forthcoming. If you do not meet the issue now, you will have to face up with it in July 1950, next year, just before the elections.

Now, during the war we saddled our people with a lot of extra taxes, special taxes, on rail, bus and air traffic transportation. We also placed taxes against luggage, furs, ladies' handbags, jewelry, cosmetics, and so forth. We promised the business people and the American consumers that these special taxes would

be removed as soon as the war was over. This promise should be kept and can be kept. It must be kept because these special taxes against certain commodities and against certain people in business is unfair, discriminatory, and is tending to drive these people into bankruptcy. The consumers are withholding from buying these taxed items because they expect these taxes to be removed. Now, I say we can remove them and still cut the budget by \$7,000,000,000 by making substantial cuts in free foreign aid programs and in the authorization for the military. It is imperative that at this time we abandon this policy of being Santa Claus to half the nations of the world and to the few American manipulators and financiers who have pushed this foreign-aid program for their own profits at the expense of the American taxpayers. We must immediately take steps to develop international world trade with all the nations of the world on a strictly business basis. According to all of the reports there is no question about it but that the Marshall-plan countries have had their economies restored to a prewar basis, that is what we were asked to do originally, and that has now been accomplished.

Mr. Chairman, while we have been giving many billions of dollars to aid business in Europe and Asia our own business is going to pot. We are sliding down hill fast. All reports show lower volume, lower profits, lower employment. Consumers spending is shrinking and inventories are piling up. People are afraid of losing their jobs, and employers are worried over sales, costs, inventories, and taxes. Thousands of small manufacturing plants are operating on curtailed production basis and are begging for orders. The unemployment rolls have been increasing by leaps and bounds. Let me say to my colleagues from the South that the cotton warehouses are bulging with cotton and that the cotton mills are suffering from flooded markets. Under the Marshall plan we have permitted England to become our cotton broker, and those nations not under the Marshall plan have had to pay through the nose to obtain American cotton. In many instances they have paid 30 percent above the normal American market price. These exorbitant prices on American cotton have not accrued to the benefit of the American planter or the American cotton dealer. These profits have gone to England and to a couple of favored nations under the Marshall plan. The result has been that the eastern European countries starved out of the American cotton markets have looked for other sources of supply. They are now getting cotton from Egypt, India, parts of Asia and South America. I am afraid that our cotton markets, in half of the world may be lost to us forever as a result of the disastrous policy we have followed.

Now, according to Business Week, the report on cotton shows that last month, April 1949, the American cotton mills used only 579,031 bales. This is the first time since 1940 that American cotton mills requirements fell below 600,000 bales per month. So, we have permitted the world to be divided up into two

spheres of trade and commerce. One sphere dominated by Russia, the other dominated by England, and we, the United States, are the scapegoat. We have come out with nothing. Russia has made her bilateral trade agreements with all the countries of Europe and the world, including England. England has made her bilateral agreements with all the countries of Europe and the world, including Russia; but the United States is out in the cold in both of these spheres, and I am afraid that in another year or two we will be walking around with our hat in our hands begging for a little world trade and commerce. I say this because, and you will agree with me if you take the time out to study the situation and look at the reports on Germany and Japan, you will find that their industrial potential has been practically completely restored, and these two countries who were our greatest rivals for world trade before the war are back in the world market and with much cheaper labor than ours, and with improved production methods adopted from us and installed by the big-hearted Americans, they will give such competition that we will have the time of our lives trying to reenter the world markets. Russia, China, and the countries of eastern Europe will no longer have to look to the United States and beg us for trade.

Now, Mr. Chairman, time is of the essence; I say that because we must expand our foreign trade now. We must do business with all the countries of the world. Only in this way can we stimulate a healthy condition at home and reduce our national debt and the tax burden upon our people. Our national debt is now \$252,000,000,000. We owe twice as much as all the Marshall plan countries put together, and the tax burden of the American taxpayer is four times as great as it was before the war; and at this point, let me say that when our tax burden was only one-fourth as great as it is today, that is during the days of the Roosevelt New Deal, we were still able to build roads, viaducts, TVA plants, flood- and drought-control projects, schools, hospitals, develop our forestry. We had money for building airports, slum-clearance projects, and we could assist generously the various States and cities throughout the country and give assistance to building up the wealth and natural resources of our Nation. Today, when the tax burden is four times as great upon the people of our country, we are told we have no money for old-age pensions, aid to education, for a public-health program, the St. Lawrence waterway, the Tennessee-Tombigbee inland waterway, and for the many other needed projects, and now we are telling our States and cities to cope with their own problems because we cannot afford to assist them. Yes, we will have a \$45.-000,000,000 budget if we carry on with our present policy, a policy which takes \$25,000,000,000 out of this budget for foreign aid and military appropriations, and goes to fatten up the munition makers and the international profiteers. Of course, we are told that we will have a \$13,000,000,000 export-trade program for this year; but let us take a look at

this \$13,000,000,000 export-trade program. Where is it going and who is paying for it? This program is based on spending for ECA, Greek-Turkish aid, military lend-lease, the Atlantic Pact, Philippine rehabilitation, and so forth. Figure it out for yourself—eight billion of this thirteen billion will come out of the pockets of the American taxpayers. We will have only about \$5,000,000,000 of real trade—trade that is based on a business basis—the other \$8,000,000,000 represents a trade that is a drain upon the American taxpayer. It is not trade at all, it is plain thievery.

Mr. Chairman, I say let us get back to business and cut out this international panhandling and military domination over our affairs. President Roosevelt had laid down a postwar program for peace and prosperity. The foundation for this is the United Nations, and two of the cornerstones of this program are the ITO, that is the International Trade Organization, and the World Bank. Roosevelt had told the Congress and the whole world, including Mr. Churchill, right after the second UNRRA appropriation, that there would be no more free dollars available, that the American economy could no longer stand the strain. Mr. Roosevelt had proposed the International Trade Organization and the World Bank as a means of financing world trade for the postwar period. The ITO was to provide multilateral agreements so as to give to all the nations an equal opportunity to trade in all the markets of the world for raw materials, supplies, and machinery. The bank was to finance this world trade. We have 38 percent of the stock in this bank; the bank was to issue bonds paying 2½ percent interest, and the bank was to charge 4½ percent interest for the loans that it made. This was sound business policy. We were assured of the return of our money; yes, not only the return of it, but 2½ percent interest upon the bonds that we bought. Now, would any Member of Congress oppose the purchase of ten or fifteen billion dollars worth of these interest-bearing bonds? I do not think so. Yes, the recovery of the world would have been assured, and there would be no necessity for bilateral-trade agreements which are aimed at destroying the trade of the United States of America and putting us out of the world markets. Yes, by doing business through the World Bank we were assured the return of our money or the defaulting nations would lose faith and credit in the whole family of nations. Well, now of course, this program did not suit Mr. Churchill, who was looking for more free handouts for England. This proposal did not suit those Americans who had a billion dollar prewar investment in Germany and were seeking free United States Treasury dollars to triple or quadruple this kitty. Of course, this program did not suit the international cartellists, monopolists, and the big international banking houses, who worked hand in hand with the international cartellists—but then Franklin D. Roosevelt died. So Mr. Churchill came to Fulton, Mo., made his famous speech that left America shaking and quivering with fear. The special Colmer Com-

mittee went to Moscow and all over Congress the cry was raised to stop trade with half the nations of the world. The hysteria grew and mounted, and the free American dollars started to roll out again. Mr. Churchill won, England got her money, the German barons and the Japanese Zaabatsu will be handed back their war plants and industries, nicely restored with the latest American equipment and machinery, and the latest American production methods.

Look at the Life magazine of week before last, see the beautiful German Volkswagon automobile rolling out of this plant that had not produced one automobile under Hitler.

Mr. Chairman, we have been generous to the extreme. Our generosity has been exploited. By striking fear in our hearts and telling us that the doling out of free American dollars was the only way to stop a foreign ideology, we have been duped out of more billions. I want to say here and now that if the people of America are not properly fed, clothed, and housed, that if we neglect our internal economy, that if we neglect our schools and hospitals, that if we neglect the aged, the sick and incapacitated, that if our internal economy becomes weak and bankrupt, then, and only then, will communism or socialism prevail and become superior to the American philosophy of free enterprise. Yes, Mr. Chairman, we have been generous with the countries of the world.

At this point I wish to include a table showing the extent of this generosity. These totals, of course, do not include the vast sums supplied by voluntary assistance drives in the United States, such as CARE, Red Cross, International Charities, emergency assistance campaigns for reconstruction and rehabilitation in particular countries, nor does it include the millions of free gift packages that have been sent overseas by our American citizens at their own expense.

Total distribution of United States loans, grants, and aids overseas, including unpaid balances on World War I loans (includes all Marshall plan estimates for fiscal 1950, but does not include any funds for rearmament under North Atlantic Pact)

1. Austria.....	\$885,118,000
2. Armenia.....	39,942,000
3. Belgium and Luxemburg.....	1,744,000,000
4. British Empire.....	44,679,000,000
5. China.....	3,446,000,000
6. Czechoslovakia.....	17,348,000
7. Denmark.....	234,792,000
8. Egypt.....	59,700,000
9. Estonia.....	25,903,079
10. Ethiopia.....	16,447,000
11. France and possessions.....	3,371,000,000
12. Finland.....	24,600,056
13. Germany (bizonia).....	3,260,000,000
14. Greece.....	681,000,000
15. Hungary.....	64,000,000
16. Iceland.....	20,900,000
17. Israel.....	63,009,000
18. Italy.....	4,700,000,000
19. Iran.....	23,100,000
20. Iraq.....	7,805,000
21. Ireland.....	142,703,000
22. Japan.....	1,891,000,000
23. Korea.....	89,469,000
24. Latvia.....	10,713,000
25. Liberia.....	14,829,000
26. Lithuania.....	9,603,059
27. Netherlands and possessions.....	979,000,000
28. Norway.....	345,000,000

29. Philippine Islands.....	\$708,000,000
30. Poland.....	373,600,000
31. Portugal.....	11,647,000
32. Rumania.....	79,435,000
33. Russia.....	12,793,400,000
34. Saudi Arabia.....	46,200,000
35. Sweden.....	104,100,000
36. Trieste.....	35,200,000
37. Turkey.....	305,400,000
38. Yugoslavia.....	117,200,000
39. American Republics (13).....	1,651,392,000

The United States News and World Report of May 13, 1949, devotes some space to an examination of the trends of American business. Among other things it says:

Report goods output is back almost to the conversion low point of 1945. Cotton consumption is around the low set in 1947. Wool consumption is off. Output in most industries is either back or seen headed back to levels of 1946 when the boom began. Outlook is for a further dip. Machinery output over-all is at the lowest point since 1946. Machine tool output is down around 50 percent of current capacity.

Confronted with an unbearable tax burden, and with all business reports pointing to a depression—and I don't like to use that term—I believe that it is urgent and pressing that we reexamine our foreign-trade policy, which excludes from our markets two-thirds of the world's surplus. We must reexamine our export-import licensing program.

Our policy has gone to such unreasonable extremes that that the Post Office Department received an order prohibiting the shipment of more than \$5 worth of streptomycin in free gift parcel post packages bound for tuberculosis victims in allied countries. This was done in spite of the well-known fact that it takes \$100 worth of streptomycin to cure or to arrest a case of tuberculosis. This policy has gone to such crazy extremes that it has become inhuman.

China, Asia, and the countries of eastern Europe comprise an enormous market for the manufactured products of our country. Closing our doors on these customers is not only poor business, but contributes to the increased tension between the nations of the world. American industry was told that the Marshall plan would aid in the exporting of their products, but despite the promises of the Marshall planners our exports have been dropping. In 1947, before the Marshall plan, we did \$15,000,000,000 worth of export business. In 1948, under the Marshall plan, it dropped to \$12,500,000,000.

If we continue under this program there can only be an aggravation in the downturn of business.

The New York Times on March 24, 1949, voiced the opinion of the convention of the Export Managers' Club in New York. It stated that there is a growing awareness by men in the export field that, even with the Marshall plan, by 1952 European "imports from the United States may be cut as much as 40 percent, while competitive and revitalized European production may capture as much as half the United States markets in Latin America."

Then there are those who proclaim that the enormous expenditures for the military will provide the additional employment and take up the slack in our

economic system. Well, of course, these billions are only a drain upon the taxpayers, and they do not create any social values, and do not create any capital investments in constructive business that would add to the wealth and progress of our Nation.

I think we are delinquent in our duties if we fail to look upon these developments with anything less than alarm. I believe it was a great mistake that simultaneously with the launching of the Churchillian Marshall Plan, we also introduced discriminatory trade measures against the eastern European nations which refused to participate in it. In effect, our licensing program constitutes a unilateral embargo upon these nations. We are even guilty of violating trade agreements which were signed before licensing was introduced, and which I believe are still binding documents.

I have repeatedly stated my opposition of our approach to the German problem. We have gone at breakneck speed in rebuilding Germany's potential in the world markets. After the First World War it took Germany 12 years to restore her pre-war potential. After the Second World War with the billions of dollars that we have dumped there, together with the billions of dollars of military supplies—yes, whole Army depots, that were left in Germany and no accounting has ever been given to the American taxpayers, Germany was restored in 4 years. Our whole policy affecting Germany is a repetition of the one followed immediately after the First World War. The only difference is that we have done it much faster and more efficiently.

The American taxpayer has spent \$41,000,000,000 to defeat Germany. We have spent a total of \$200,000,000,000 to win World War II. And now we are putting in billions every year to resurrect the huge industries of Germany and Japan to be our powerful contenders for world trade. By our policy of restricted export licensing we are giving to Germany another chance to dominate Europe economically, and thereby, politically. The same is being done for Japan in Asia. The nations devastated by the Reich are now confronted by that threat again. There is not even any effort being made any longer to conceal the fact that the Potsdam provisions limiting those industries which constitute a threat to peace are being openly ignored. All the recent reports on Germany emphasize the fact that the decartelization program has been a farce and that denazification has been but a multiple-syllable word.

Is not it peculiar that the most ardent supporters of the policy of embargoes on trade with eastern European countries, countries by the way that never waged war against our country; yes, those people who insist that such a restrictive trade policy is imperative, are simultaneously the most enthusiastic supporters of rebuilding the might of Germany, twice the enemy of our country. It seems to me that this touching concern for the recovery of an enemy which is responsible for the deaths of a quarter of million of American lives and millions of Europeans lives, and cost us over \$200,000,000,000,

does not jibe with the pledges that we made to our allies to rebuild them first.

Yes, we are rebuilding the country that brought our allies to the brink of complete disaster, and all under the specious and false excuse of rebuilding the European economy, and still worse by our embargo on trade with the eastern European nations we are penalizing them for their sacrifices and rewarding Germany for its crimes.

So today we are pursuing the short-sighted policy of trying to hamper and limit the economic recovery of our eastern European allies, and in so doing we have also hampered the recovery of western Europe at a huge and unnecessary cost to the American taxpayer. It is this artificial division of European economy which for centuries has constituted a whole, that has made it necessary for us to throw in billions of taxpayers' dollars. This is the division that Churchill created. This division has placed Europe on the American dole. There can be no talk about peace and complete world recovery as long as trade barriers exist between our country and eastern Europe and in turn between western Europe and the east.

The continuation of such a policy can only mean that the American taxpayer and American industry and American labor is the loser. For instance, what does the embargo on goods to the Soviet Union mean in concrete terms today? The Wall Street Journal of April 15, 1949, points out that the Soviets are shifting their buying to other markets. It writes that the Soviets are getting machines and industrial equipment from the United Kingdom, Sweden, Denmark, Belgium, Switzerland and Norway, while she continues to ship manganese, chrome, and vital strategic materials to the United States, but is forced to use the dollars thus obtained to buy what she needs in other markets. It is needless to call attention to the fact that with the exception of Switzerland, all the nations referred to are participants in the Marshall plan. Now, translated into cold facts, this simply means that our policy adds to paralyzing our industries, and of course also adds to the rise of unemployment in the United States. The same applies to Poland, which has established trade relations with 42 states and because of our restricted trade policies, Poland has extensively increased her volume of purchases from the Scandinavian countries, and this trade is particularly strong in goods like machinery, which industry in our country is suffering a marked downward trend in production.

Yes, while we have clamped down on the export of goods and machinery to Poland, Great Britain has recently entered into a bilateral agreement, a 5-year trade pact, for a billion dollars' worth of trade with Poland. Included in this agreement are such export items as copper, capital equipment, tires, dye stuffs, crude oil, and rubber. I find that the other eastern European countries have all entered into these bilateral agreements and to a lesser or greater degree are arranging for new trade outlets that leaves the United States out in the cold. The greatest danger in our

policy of restricted export and import trade, and our licensing program, lies in the fact that when the dependency of these nations on American products has once been eliminated by forcing them to obtain these same products in other markets, we may emerge out of this situation without any customers in eastern Europe, and possibly in China and Asia.

I wish to bring this situation forcibly to the attention of the House. Do you know that so far this year our exports to the Soviet Union and the eastern European countries are running at what will be an annual rate of only \$70,000,000? Stop and think what effect this policy will have on our domestic economy. This export trade represents the smallest fractional part of the business that could be obtained if our foreign trade were placed on a sound economic basis. This is a policy of deliberate bankruptcy for our business.

Who is it that has the right to sell out our world trade and commerce to England, Germany, and Japan?

I find that machine tools, precision equipment, trucks, excavators, electrical equipment, locomotives, and oil-drilling equipment still are on the frozen or forbidden list of exports to eastern European countries. These are the materials that eastern Europe needs most. Continuing the American embargo may be a deterrent to more rapid recovery for these countries, but certainly it can be no block to their recovery. They will obtain these materials elsewhere. An examination of the recovery rate of these European countries fails to bear out the hopes of the proponents of this theory. Our policy of embargo and restricted trade toward these countries is forcing them to be independent of us and not to rely on our productive industry, and all this augers ill for our future trade relations unless we revise our policy immediately. Everyone who has visited these eastern European countries is amazed at the rapid recovery and is astounded to learn that they were able to accomplish this by their own hard labor without free Marshall-plan dollars. Now, it should be self-evident that while these countries are expanding economically and at an unprecedented rate there exists in these countries a tremendous potential market for United States products—a market that will pay for our goods on a business basis and not with taxpayers' dollars out of the United States Treasury. Those who are bleeding us with Marshall-plan dollars will say, "Oh, you can't approve of the particular forms of governments that exist at the moment," and, at the same time, these Marshall-plan panhandlers are grabbing the eastern European business for themselves.

I am a member of the House Committee on Interstate and Foreign Commerce. In our committee we have held extensive hearings bearing on our Nation's trade and commerce. I cannot sit idly by and not utter words of protest against a trade policy that will be disastrous to our Nation for years to come. In my investigation I find that the eastern European countries have embarked on an ambitious program of industrialization.

They have launched a program for the expansion of their transportation facilities which were so limited before the war. Our plants could be busy for years producing the equipment that is necessary to meet the demands in the field of transportation alone. So also the program of electrification in these countries creates an insatiable market for our electrical products for many years to come. Their efforts to increase farm needs creates a huge market for farm equipment, and I am sorry to say that it is in these fields specifically that we are recording great drops in production and great increases in unemployment. It should be obvious to all of us that when we slam the door shut upon one section of the world which is such a fertile field for world trade, it can only lead to depression and unemployment at home.

Michael L. Hoffman, who is reporting and covering the meeting of the UN Economic Mission for Europe which is in session in Geneva, Switzerland, on May 11, wrote that even though the eastern European nations have charged that the Marshall plan has usurped many of the prerogatives of the ECE, that despite all this, they are eager to trade with us and western Europe. That these nations desire such trade has been shown repeatedly. Only recently we rebuffed efforts of Czechoslovakia to buy materials we have piled up in surplus.

That these eastern European nations will meet their obligations and that their credit and guaranties are good has been amply demonstrated. As for example, when the World Bank delegation went to Poland to investigate the situation they made an enthusiastic report, calling Poland an excellent risk and recommending the loan.

It is apparent, and there can be no doubt about it, that economically those nations are in a sound position to do business. The barriers placed against them are purely political. I should say they are shrewdly political and slanted in such a way as to deprive us of these markets.

In addition to the World Bank we also have the United States Export-Import Bank, which should be used and exercised to the fullest extent. To promote world peace, mutual understanding and cooperation, and to lessen the tensions that could lead to conflict, and to fulfill our obligations that we undertook when we signed the United Nations Charter, I believe that we should stop our present discriminatory trade policy.

I see no need for the further outpouring of billions of dollars under the Marshall plan and these other foreign-aid panhandling projects. It is time that all of the nations of the world get down to business on a business basis. I shall not vote to bleed the American taxpayer further. I shall vote to repeal all of the special excise taxes that I have hereinbefore mentioned. I shall vote to rebuild our own internal economy and give all possible assistance to our States and cities, to our institutions, and to our citizens. That is what the United States Treasury is for. It is not a grab bag for all of the people of the world, and if there is any doubt in the mind of any Con-

gressman, just go home and ask your people, and I am afraid that there will be much explaining to do when the 1950 tax bill rolls around in the election year.

In conclusion, I believe that our present trade policy in relation to the eastern European nations is not a sound policy—first, it fails to coincide with the best interests of our Nation; secondly, it has not halted the rapid recovery of the states in eastern Europe—and neither are the trade restrictions helping the recovery of western Europe.

The embargo and the restrictions on export licensing clearly do not work. On the contrary, the embargoes have forced the eastern nations to seek other sources for their wants, and I repeat that this policy will hurt our world trade for years to come. The pouring out of billions of American taxpayers' dollars into western Europe and Asia has only had the effect of splitting and hampering world trade and world economy. At a period when our capacity to produce far exceeds our needs, and in a period when our production continues to drop and unemployment is increasing, and when at the same time we have an enormous potential market that is available to us, I feel that we are following a stupid and foolish policy. The nations of eastern Europe have the credit and security. They want trade with us and have made every effort to buy American products. They have established themselves as responsible in their trade relations with the rest of the world. Establishment of world trade relations will immediately rebound to the benefit of American business and American labor. And at the same time it will be the greatest contributing force to the easing of tensions and to the restoration of understanding and peace.

Again I say, it is imperative that the tax burden be reduced by at least seven or eight billion dollars; that these tax reductions can be made on the free foreign-aid programs and the military authorizations.

I am opposed to this Marshall-plan appropriation because I insist that we revert to the program laid down by President Franklin D. Roosevelt for the postwar period, that is, that all of the nations of the world, including the nations of western Europe, do business through the World Bank and the Export-Import Bank, and subscribe to the policy of the International Trade Organization multilateral trade agreements. We cannot afford to dish out any more taxpayers' dollars for nothing, and we must participate in the business of the world on a multilateral basis.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

(Mr. WHITE of Idaho asked and was given permission to revise and extend his remarks.)

Mr. WHITE of Idaho. Mr. Chairman, I am deeply indebted to the gentleman from New York for this time. I thought I was to be given time on our side, but I told them frankly I was going to oppose the bill.

The title of this bill reads:

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The thing that occurs to me about the "other purposes" is that it is an appropriation to service the national debts of the European countries. I have gone into that phase of the subject a little and I am surprised to find that very few people in the Congress have gone into the fact that this is a very ingenious, artful scheme to take money from the American taxpayers to finance the servicing charges on the national debts of these foreign countries.

I have checked a little bit into Holland and Belgium as to their national debts. I found that Holland has three classes of bonds. They have bonds payable in dollars, that are sold in America. They have bonds payable in pounds, that are sold in England. I got the list of their indebtedness on the American and British bonds, but was not able to get the amount and the condition of the bonds sold domestically in Holland, which are paid in francs or in guilders.

In this appropriation of \$5,500,000,000 we do not donate anything to the people themselves in the Marshall plan countries, we simply donate the money to the governments, and the governments make the people bring in their cash and lay it on the line to get the material from America. If the hungry people of Holland or the hungry people of Belgium want bread, they ask for wheat, and our Government takes our money and goes out and buys the wheat, and keeps the farmers and the wheat growers here happy by buying the wheat and donating it to Holland. Holland requires the people that want the bread to bring in their money and lay it on the line, and it goes into the Treasury of their government. Naturally, when the bond interest falls due, and the bonds themselves, these governments take the money they collected from their people and service and pay the principal of the national debt.

Over in the caucus room I asked Mr. Hoffman, the Administrator, this question. I said, "Mr. Hoffman, the chief objective of this ECA is to stabilize the national economy of these so-called Marshall-plan countries." He said, "Certainly." I said, "The most essential thing and the most important thing to do to stabilize the economy of a country is to maintain the integrity of its national credit." He said, "Yes, sir." I said, "Now, I would like to know how much of the taxpayers' money that is disbursed by ECA is going to pay the service charge and the principal of the national debts of these Marshall-plan countries." Just then the gentleman in charge of the meeting jumped up and said, "Time is up. Mr. Hoffman has not time to answer. You can ask him privately but you must not ask him that question publicly."

I wonder how many of the men who represent the western mining States and the mining industry know that in this bill that I hold in my hand that we have under consideration 5 percent of the appropriation is set aside to purchase strategic materials. I wonder how many of the men from the Western States and the other mining States all over the United States know that that 5 percent in this bill will be \$190,000,000 that will be set aside not only to purchase lead,

zinc, and copper, but to finance mining development in the foreign countries. We cannot spend a cent of this money in Mexico, we cannot spend a cent of this money in Central America or South America or Canada—well, we can spend it in Canada, because that is one of the Marshall-plan countries, as part of the British Empire. But this money is going into these European countries to break down the price of our mineral resources here, the lead, copper, and zinc produced in this country. The price of these commodities is falling every day, and the stocks of our industrial companies are falling every day, and the income taxes that we are receiving from all of these industries are falling. I wonder where we are heading.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the bill now before us to provide funds for the continuation of the recovery program in Europe, through the ECA, has my full support. The work already done and the results accomplished have been most gratifying.

The able administration of the ECA program by Paul Hoffman, its Administrator has been of a character that shows what can be accomplished by utilizing the services of a man trained in business and with ample experience. While at all times he has shown a sympathetic interest in the welfare of European nations he has not permitted mere sentiment to override or set at naught the sound business principles that must be applied if the recovery program is to obtain sound, permanent, and worth-while results. His administration has been commendable and deserves high praise. He is entitled to all the support and encouragement that the Congress can give.

The funds we have already expended in the nations of western Europe have done much to provide stability to the governments receiving such aid, creating confidence in the peoples of those nations that with the help we give they can reestablish their national economy and eventually regain the power to support themselves and improve their standard of living. The accomplishment of these objectives will stem the tide of communism that threatened to engulf them. Already we can see the benefits that have accrued from the wise investment of our funds in their welfare. Past accomplishments give encouragement for future possibilities.

Frequently objection has been made to our contributions for recovery in Europe on the basis that we have worthwhile causes in our own country that call for relief. It is true there are many such causes that are rightfully entitled to relief. However, giving of aid to Europe does not and should not preclude relief to them. Furthermore, we must not overlook the fact that basically we are extending aid to Europe to establish economic conditions that will strengthen and stabilize the democratic governments of western Europe, and thereby prevent the spread of communism and the possibility of a third world war.

We naturally look forward to the day when these nations of Europe will no

longer need our aid. The sooner that day arrives the better it will be for them as well as ourselves. We cannot, nor should we be expected to, continue a program of relief indefinitely. The purpose has been to give Europe merely a breathing spell during which it could rehabilitate and strengthen its tottering and unsteady national structures. This is being rapidly accomplished and gives promise of an ultimate and complete recovery. It is time, however, we began to tell the nations now receiving relief from us that ECA is not a permanent institution. They must realize that the time is coming when they must depend less upon us and more upon themselves and the investment of private capital.

My support of this bill is based upon the thought that our future security and the peace of the world is made more certain and sure by strengthening the democratic nations of Europe.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, we are now called on to put another \$5,542,000,000 into the European recovery program. We ought to stop and see what we have done or accomplished by the previous billions we sunk in foreign countries. There are some facts that seem unanswerable:

First, we have not settled the Greek revolution, but have merely prolonged it. People fired with the spirit of freedom do not give up easily.

Second, we have by the aid we have given the Dutch, used our power against the Indonesian people struggling for freedom from Dutch economic slavery. We have alined ourselves against the plain people of these islands whose love of liberty is comparable to our own during the days of the American Revolution.

Our aid to China of \$2,000,000,000 has had the effect of equipping one of the finest and best-equipped armies in the Far East, for all of our aid has gone directly to the Communists of China. While seeking to stop communism in that country, we have made it a smashing success.

Our aid to England has got no where, because that country is still unable to take care of itself. That country has too many ex-kings, kings, princes, and royal nabobs to ever get out of debt and be economically self-sustaining. Without the aid of Churchill in finagling this country into war, England would have been bankrupt and out of business as a nation. I always thought, from reading history, that we won the Revolution against England, but I guess the historians were wrong. England seems to be able yet to direct our affairs.

If Congress understood the fundamentals and actually wanted to stop the spread of communism in Europe, it would be a comparatively easy matter to take such action as will not directly aid in the spread of that ism. Behind all the unrest in these countries is the determination of the people everywhere to acquire that which will enable them to live—namely, land. As long as the people in any country are hungry for land, and the present governments per-

mit the maintenance of large estates used for pleasure, game preserves, and royal palaces, this unrest will go on. Any form of government which promises them land, no matter how autocratic it may be, will have the support of the common masses of people. You can see that in China at this hour. Bells are ringing, flags waving, as the people formerly under the Chiang government welcome the advancing well-equipped and well-managed army of the Communists. They are hailed as liberators. Liberators from what? Liberators of people from a corrupt government that has at all times ignored the suffering of the people of China.

I said once before on the floor of this House, and now repeat it, that I will vote against any appropriation for any foreign country until we take care of the people who are in distress in this country. We have many thousands of aged people here who are living on assistance that is not only pitiful, but a crime against the traditions of the United States. All officials of the Government want raises in pay. There is a bill now before Congress to increase the salaries of top Government employees from ten to fifteen thousand dollars annually, yet we have done nothing for the aged, the crippled, and the blind. Pensions to soldiers have been denied, but yesterday an attempt was made to boost the pay of retired Army officers, where the lower officers received a token and the top hats were to get it all. It did not work.

To decrease this appropriation for ECA by 15 percent is a gesture in the right direction. I will vote for it and if we amend it and reduce the amount by 15 percent, we will save \$832,000,000, or almost twice what it will cost to allow the aged people of the United States double what they are getting now. We should save all of this five billion five hundred and forty-two million, and after the bill is amended to cut it down 15 percent, I will still vote to reject the whole thing. I hope I have made my position clear.

The CHAIRMAN. The time of the gentleman has expired; all time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1950, namely:

TITLE I

FUNDS APPROPRIATED TO THE PRESIDENT

Economic cooperation

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$8,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,-

074,000,000, of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That not to exceed \$4,400,000 in the aggregate shall be available from this appropriation and the appropriation under this head in the Foreign Aid Appropriation Act, 1949, for administrative expenses during the period April 3, 1949, through June 30, 1949.

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47), for the fiscal year ending June 30, 1950, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$3,568,470,000, of which not to exceed \$500,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with appropriations under this head for prior periods, and such consolidated appropriation may be used during the fiscal year 1950 within limitations herein specified: *Provided further*, That not to exceed \$16,500,000 for such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950.

Mr. GARY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 4, line 7, strike out the period and insert a colon, and the following: "": *Provided further*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending May 15, 1950."

Mr. GARY. Mr. Chairman, the amendment which I have offered is the exact language contained in the appropriation bill of last year, with the exception that the date has been changed from April 2, 1949, to May 15, 1950. As I explained in my opening statement, the purpose of this amendment is merely to provide that the expenditure of funds which have been appropriated for a 15-month period may be accelerated and the money spent in 13½ months if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of the act.

It is not our purpose to ask for any increase in the funds of ECA and if the funds last for 15 months, I am certain

that the Administrator will be delighted to stretch them out. The purpose of the amendment is merely to see that the Administration and this Government is not embarrassed by an absolute lack of funds at the end of the term. In this connection I read a letter which was written by the President of the United States to the chairman of the Committee on Appropriations. The letter is as follows:

THE WHITE HOUSE,
Washington, May 26, 1949.

HON. CLARENCE CANNON,
Chairman, Committee on Appropriations,
House of Representatives.

DEAR MR. CHAIRMAN: You are, of course, aware of my deep interest in the success of the work of the Economic Cooperation Administration and the success of our program for government and relief in occupied areas. I am firmly convinced that the maintenance of these operations on an adequate basis is not only necessary for the fulfillment of our international obligations and the success of our foreign policy, but also that the operation of this program on an adequate basis at this time will, in the long run, prove to be the most economical course for the United States.

The importance of the Economic Cooperation Administration is so well understood that I am confident that we can expect the Congress to continue to provide adequate funds for its work. I would like to stress the importance of providing equally adequate funds for government and relief in occupied areas.

The funds which would be provided for this purpose in the appropriation bill reported by the committee would be adequate to continue the maintenance of the minimum ration per individual but, for all practical purposes, would not permit the continuance of the program for economic rehabilitation in Japan and in the Ryukyus. The reduced funds would also seriously affect the program for economic rehabilitation in Germany which is carried on in conjunction with the work of the Economic Cooperation Administration. Only by continuance of this program could we expect the people in those areas eventually to become self-supporting. I feel that provision of an amount adequate to carry on the program of Government aid and relief in occupied areas at the level requested will, in the long run, reduce the over-all cost of accomplishing our occupation responsibilities.

I earnestly hope, therefore, that this amount will be made available.

Sincerely yours,

HARRY S. TRUMAN.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. THOMAS of Texas. Mr. Chairman, I intend to support this legislation on final passage, but I will not support any amendments which seek, directly or indirectly, to restore any part of the approximately \$800,000,000 which my amendment in the full Appropriations Committee, cut from the budget estimates. I think European recovery money and effort are necessary, but not in the full amounts presented by the budget.

If I may, I should like, briefly, to summarize part of what has been done. The other part I am not advised on. I refer to an agreement that was made late yesterday afternoon by the leaders on both sides of the aisle. Why the agreement was made, or what brought it about, I am not advised.

By way of summary, let me state that the full Committee on Appropriations reduced the budget estimates for ECA for fiscal 1950, which were roughly \$4,200,000,000, by 15 percent. The budget estimate carried \$1,074,000,000 to be used the last 3 months of fiscal 1949. My amendment in the full committee did not reduce that item. In other words, the 15-percent cut did not apply to it.

The item for military government and relief in occupied countries for the fiscal year 1950 carried a budget estimate for \$1,000,000,000. The full committee reduced that item by 15 percent also.

The original subcommittee bill carried a limitation of about 5 percent on the use of the \$1,000,000,000 funds for government and relief in the occupied countries, for the purpose of administration. By amendment, the full committee reduced the 5-percent limitation to 3½ percent. I understand according to the terms of the agreement heretofore referred to, that the distinguished gentleman from Virginia [Mr. GARY] will offer an amendment to restore the full 5 percent.

The amendment that the gentleman from Virginia has already offered, does not seek to restore the 15-percent cut for ECA funds, but gives to the Administrator the right to spend all the funds, not in 15 months, but 13½ months. I also understand that the Administrator agrees to try to make the \$5,000,000,000 last through the entire period of 15 months. If the funds do not last the entire 15 months, he has a right to come back to Congress and seek to recover the 15 percent that the full committee has cut from his funds. I am afraid that the Administrator will be back on time, looking for the 15-percent cut. However, I hope he does not. And I believe that by the use of good business judgment, of which he has an abundance, and by the practice of a little economy that is so badly needed in our fiscal affairs now, he will be able to save the American taxpayers the \$700,000,000 that was cut from this item.

I understand that another amendment will be offered dealing with the military government item on page 4 of the bill that will seek to restore \$75,000,000 of the \$150,000,000 that the full committee cut. And, in addition to that, will seek to restore the full 5-percent limitation placed upon the administrative use of these funds.

Frankly, Mr. Chairman, in my humble judgment, I know of no greater waste in our entire Government than in the administration of our military government in occupied countries. True, this type of government is about to be shifted to a civilian government, but the same employees in the occupied countries will do the administering. They draw good salaries. On top of the good pay, they get the foreign-service pay, which is 20 percent extra, and other perquisites.

We have a precedent to go by in the matter of administering foreign rehabilitation and relief in the way of limitation of administrative funds, and that is in the Philippine Islands. There we are spending \$400,000,000 for this type of work. The Appropriations Committee

has put a limitation of slightly less than 3 percent for administrative purposes, and the Philippine Commission is doing a good job. Surely 5 percent is too great a sum of money, particularly in view of the fact that hundreds of military people will be used in the administration of these funds, whose pay will not be deducted from these funds, but from the military appropriations.

So, Mr. Chairman, under the amendments that the subcommittee will offer, and which the House will pass—for I understand that the way has been well paved in the form of an agreement on both sides of the aisle—you will have a savings that you can put your fingers on of only \$80,000,000, as a result of the 15 percent cut. Instead, it should have been approximately \$800,000,000. But we are given the fond hope that an additional \$700,000,000 will be saved. Let us hope that the \$700,000,000 can be saved, because the taxpayers need a little help. I am sure that this cut will not affect the soundness and the efficiency of the entire ECA program. Bear in mind, please, that we will be called upon in 1951 and 1952 to make similar large appropriations for the same purpose.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

TOO MUCH IS ENOUGH

Mr. RABAUT. Mr. Chairman, Victor Reuther, brother of Walter P. Reuther, president of United Auto Workers, CIO, was shot Tuesday night, May 24, through a window of his home under almost similar circumstances as the attack made upon his brother some time ago.

Victor Reuther in life is associated with the educational department of the United Auto Workers. This attempt upon the lives of these brothers, devoted to the great labor cause of the country, is so un-American and so repulsive to our ideals and customs that it cries strongly for vengeance.

My purpose in coming into the well of the House is to bring forcibly to the attention of the Congress the necessity for the use of the facilities of the FBI in this case; that no stone may be unturned in the discovery of those who lend themselves to the perpetration of these dastardly acts so repulsive to the American way of life. The whole country sympathizes with the Reuther family, and let us hope that the great right arm of Uncle Sam, the FBI, will uncover and expose the culprits as an example that such deeds shall not go unpunished. Too much is enough.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

The amendment was agreed to.

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT: On page 3, line 16, after the first semicolon,

strike out the words "entertainment (not to exceed \$25,000)."

Mr. TACKETT. Mr. Chairman, no doubt it has been necessary, for our own protection, to assist in the rebuilding of war-torn foreign friendly democracies. While we have carried the burden of financing the last two World Wars and while many of our boys lost their lives in these great conflicts, it was upon the soils of these foreign countries that the battles were fought and where the women, children and aged were slaughtered—friendly democracies paying the necessary penalties to keep the actual conflict confined to those areas and save much suffering from our families.

No doubt most of us realize that during World War II while this country was participating on the side of Russia that we could be in no better position than perhaps on the side of the lesser of two evils, because all of us well knew that both Germany and Russia were seeking the same goal. Russia has since behaved as per our suspicions. Now, with Russia emerging from World War II the strongest government in Europe, with a continued desire to impose her despicable communism upon all the world, leaves us in a position whereby we must prepare her neighboring democracies with power to forestall destruction and thereby preclude conflict upon our own soil. I could stand for myself to be denied the necessities of life, but I am quite sure that I would commit wrongs to prohibit my wife and children from being without the necessities. These weak foreign democracies want to remain a free people, but when their wives and children are starving, would join communism or any other type of ism in the hope of finding food and clothing.

For these reasons, and these alone, I can concur in the principles of the Marshall plan only to an amount of assistance absolutely necessary to bring about the desired results. I sanction the policies of the European recovery program only to that extent necessary for our own protection, taking foreign-trade possibilities into consideration.

As you well know, I was not a Member of Congress when the European spending program was launched and cannot be held responsible for such action; however, I do in no wise criticize the policies, but contend that the entire program can stand scrutiny, closer supervision, and narrowed coverage to insure the maximum benefit to those entitled, and preclude same from reaching unfriendly powers. I am at a loss to know why we should in such a flagrant manner send funds to Italy and other such subversive nations where we could, by the exercise of ordinary precaution, anticipate the Communists and those unfriendly to our form of government are waiting at the depot to receive our assistance with which to further their cause. We should not spend 1 penny in the European recovery program that has a chance of drifting into the hands of our enemy.

Regardless of the importance of the European recovery program, or any other such assistance to foreign people, we should first take care of our own people even should we not have left 1 penny

for worthy foreign aid. No person in the United States should be denied the comforts of every necessity whether disabled physically, mentally, or by age.

During my campaign when several of my opponents were shouting criticism of the entire European recovery program, in every one of my more than 200 speeches I uttered in substance the very statements I am making today on the floor of this House.

You may be assured that it has never been my intention to come here and give the funds of our taxpayers to socialistic England. Individual initiative, free enterprise, and open competition have been destroyed in England to the extent that were it not for the United States of America, the great spending program being conducted in that country would end and a lot of the people would face starvation. I cannot believe that we are to deny assistance to our own needy people in favor of helping a socialistic state advocating the very principles of communism.

If you gentlemen will go out into some of the rural communities within this country, you will find plenty of people on this American soil who do not have necessary food, clothing, and shelter; yet, the majority of this House is freely spending billions of dollars in the socialistic country of England and at the same time pulling every known political maneuver to deny worthy assistance to the underprivileged, crippled, and aged in our midst.

The amendment upon which I am now speaking merely seeks to strike out \$25,000 of entertainment moneys from the provisions of this bill. There are provisions calling for many more dollars for entertainment purposes. Of course, the amount that I seek to strike is not one-tenth of the funds that can be and will be used for entertainment purposes. Are our taxpayers supposed to pay for the entertainment of foreign people in the efforts of this Government to get those foreigners to take American assistance? Do you mean to say that we have got to entertain the foreign countries in order to get them into the necessary good humor to accept from us more than five and one-half billion dollars under the provisions of this bill? I would think that the foreign donees would be entertaining the American donors for these fabulous gifts that mean so little to the common people of Europe.

Oh, yes, I have something to say to a few of these good newspapermen here in the gallery who can find so little criticism for the European recovery program. Every time there is a water, flood-control, irrigation, electric-power, or navigation project proposed in this Congress to help the people of this Nation those same few newspapermen go about picking out Members of Congress in whose districts the projects are to be located and infer that those respective Members are crooks for wanting the public projects that could so benefit the entire Nation. I presume that such writers had rather the money would be lavishly thrown overseas than allowed to benefit the American people. Such newspaper tactics are just a mode of cheap political pressure in an effort to browbeat the

membership of this House. I might say further that none other than a person with criminal inclinations who could not be trusted any farther than you could throw a bull by the tail would infer crookedness at the hands of another without proof thereof. Big business sells a lot of the commodities for ECA purposes. I am wondering if such newspapers are attempting to help big business sell ECA commodities.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. TACKETT. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. The other day I was listening to a radio broadcast from Sicily. The commentator was standing on the sidewalk asking the various passers-by what they thought about the Marshall plan. Only 2 out of 40 questioned knew what he was talking about. These two were man and wife. The husband said that he was a Communist; for Russia; and could do without the American Marshall plan assistance. The wife said that she was for the Marshall plan; appreciated the American assistance; and wanted to thank the good people of the United States. The husband countered that his wife was all wrong—that even though they were receiving assistance from America that the Russians would eventually have to take care of them; and that the Russian form of government was more dependable.

The common people of Europe do not know one single, solitary thing about the Marshall plan and they care nothing about it. They have no reason to know from whence the assistance is coming; actually very little direct assistance is made to the people through ECA. We sluff off the money to the European governments in power and they either sell the property to the people or take direct credit for any hand-outs. We are just being a bunch of suckers, and we all know it.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes, the 2 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Chairman, the gentleman states very frankly that he is opposed to the ECA. He has found out that he cannot defeat the program on the floor of this House because Congress is committed to it. So he tries to accomplish by indirection what he knows cannot be accomplished directly. Certainly, there is no businessman on the floor of this House or anywhere else who does not know that in negotiations of the kind that the ECA must conduct there are times when people must get together at lunches, dinners, and other functions. We are spending in Europe approximately \$5,000,000,000 a year. In this bill there is \$25,000 for entertainment for the entire ECA program. I do not believe that

anybody on the floor of the House will think that is an exorbitant expenditure.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. TACKETT].

The amendment was rejected.

The Clerk read as follows:

Assistance to Greece and Turkey

For an additional amount for "Assistance to Greece and Turkey," as authorized by the act of May 22, 1947 (61 Stat. 103), as amended and supplemented, to be available immediately, \$50,000,000, which, together with the amounts heretofore appropriated under this head, shall remain available until June 30, 1950; and the existing limitation under this head in the Foreign Aid Appropriation Act, 1949, on the amount available for administrative expenses, shall continue in effect; and the existing limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$400,000" to "\$425,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State.

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Government and relief in occupied areas

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$850,000,000, of which not to exceed \$29,750,000 shall be available for administrative expenses: *Provided*, That the general provisions of the appropriation act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil-service or classification laws or provisions of law prohibiting payment of any person not a citizen of the

United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, 80th Cong.): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service or employment bringing such individual within the provisions of section 281 or 283 of title 18, United States Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territories, ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured,

such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned.

Mr. GARY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY: On page 6, line 16, strike out "\$850,000,000" and insert in lieu thereof "\$925,000,000"; and in the same line strike out "\$29,750,000" and insert in lieu thereof "\$45,000,000."

Mr. GARY. Mr. Chairman, this amendment merely restores \$75,000,000, or one-half the amount the committee cut from GARIOA, which is Government and Relief In Occupied Areas, meaning Germany, Japan, and the Ryukyus, and EROA, which is the economic rehabilitation program in the occupied areas of Japan and the Ryukyus.

They spent last year in this fund \$1,300,000,000. The budget this year requested \$1,000,000,000. The subcommittee recommended \$950,000,000. It cut off \$50,000,000. The full committee cut off \$150,000,000. This amendment restores \$75,000,000, making the appropriation for this item \$925,000,000. In addition, there was a reduction in the administrative expenses, which is not an additional appropriation but which comes out of the \$925,000,000.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. The original estimate was \$50,000,000 for expenses.

Mr. GARY. The original estimate for expenses was \$50,000,000. This amendment would cut it to \$45,000,000.

As I stated in my opening statement, the question of ECA is one of choice for this country. GARIOA is a legal obligation. This is an obligation we have assumed, one that we must meet, and I feel that this is the smallest amount with which it can be met during the next year.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understand the amendment, the gentleman is increasing the amount available for administrative expenses from \$29,750,000 to \$45,000,000?

Mr. GARY. Increasing the amount recommended by the committee. The amount requested in the Budget was \$50,000,000. The subcommittee recommended that it be reduced to \$45,200,000. We are going now to \$45,000,000 even. We are cutting \$200,000 below the recommendation of the subcommittee.

Mr. RICH. We do not care anything about what somebody else did, we are interested in what we are doing to this bill.

The gentleman is increasing it \$15,250,000, is that right?

Mr. GARY. Yes.

Mr. RICH. That is for the expenses of administration?

Mr. GARY. Yes.

Mr. RICH. The gentleman from Arkansas a while ago was talking about

spending a lot of this money and the propaganda that was going on.

Mr. GARY. The gentleman from Pennsylvania I am sure will be delighted to know that we are changing that administration from a military administration to a civilian administration. General Clay is to be succeeded as governor in Germany by Mr. McCloy, who is to be the high commissioner. I know the gentleman from Pennsylvania does not want to endanger the success of this new civilian administration. Let us go on with this now and then maybe we can cut it next year.

Mr. RICH. The trouble is that whether it is civilian or whether it is military it costs too much money.

Mr. GARY. Do not let us embarrass them. Do not let us take any chances.

Mr. RICH. Then let us leave it at \$29,000,000.

Mr. GARY. That would embarrass them tremendously.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. JUDD. Is it not significant that we provide \$16,500,000 for the administration of \$3,500,000,000 under ECA, but \$45,000,000, or three times as much, for the administration of less than a billion under GARIOA?

Mr. GARY. This takes care of the administration not only of GARIOA, but of the entire United States administration in Germany, Japan, and the Ryukyus.

Mr. JUDD. My point is this. Part of the reason why Paul Hoffman and the ECA administration can handle four times as much for a third as much administrative expense is because of the counterpart funds, is it not, which somebody was criticizing a little while ago? Local expenses of administration in England and France can be handled in their own currency, whereas in the GARIOA countries, we have to furnish dollars for such expenses.

Mr. GARY. In addition, in the other countries, we are trying to get them to promote their own recovery programs and they are paying a part of the expenses, whereas in Germany we are in command and we have to administer the whole program.

Mr. JUDD. You understand, I am sure, that I do not object to the higher figure for GARIOA. I think it is necessary. I merely want to pay tribute to the wisdom of the counterpart funds system which enables ECA to administer its enormous program, for an exceeding small percentage, less than one-half of 1 percent as against about 5 percent for GARIOA.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. RICH. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. GARY. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

Mr. TACKETT. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I move that debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. RICH. Mr. Chairman, now we are going to have 15 minutes to raise this \$15,250,000—that is \$1,000,000 a minute. If there is anybody who is going a-whooping, we are, but we do not know where we are going. I agree with the gentleman from Arkansas. I want to tell you that if there is anybody I want to help, if there are any people I would like to try to accommodate, it is anyone who is starving. I would go the limit on that, but this is not a starving bill—only for the Americans. The Americans are the only ones who are going to starve on this legislation, because we are not going to be able to raise that million dollars a minute that we are spending here as we talk about it. The trouble with us is every time we do anything it costs us about 10 times more than it ought to cost to administer it. The trouble with this legislation is that we are bringing a lot of people here in this country from these foreign countries to tell us just how good we are for giving them this money.

As the gentleman from Arkansas said awhile ago, if you knew about what the money was spent for, that we are giving to these fellows, to get us to believe that we are doing a good thing, we just would not do it. That is the sad part about this legislation. For the last 5 or 6 years we have been trying to keep, as he said, a socialistic government going in Great Britain. I would not give a nickel to keep a Socialist government going in America. I am against it in every way. Yet you will spend a billion dollars to keep Britain going and let Great Britain reduce her taxes over there so that you can tax our people more money to help the British Socialist Government remain in power. I think it is a travesty on American intelligence that the Members of Congress should vote for anything like that. Brother from Arkansas, stand up. Let us stand up here and fight until the cows come home and try to stop this thing. It is about time that we tried to get more Members here to fight this kind of legislation. I know you have to have good administration, but our administration here in America is just costing the taxpayers of America too much. You have got too much red tape. You have too much organization. You have too many people on the pay roll. You have too many people who want jobs. You have too many commissions that you want to send over to Europe and other parts of the world to review foreign affairs and the things that are going on in those countries. You are asking too many of those people to come over here and run around to tell the Americans what good fellows we are for being such saps to give them so much money. It is about time we stopped.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. ROONEY. Does the gentleman feel that it is more important to spend millions of dollars of the taxpayers' money for an historical site in Philadelphia, for which the gentleman from

Pennsylvania recently voted, or to spend some money to stem the tide of communism in Europe?

Mr. RICH. Oh, my soul. You are so far behind the times that you ought to wake up. Your forefathers were the fellows who gave you your independence. Your forefathers were the ones who wrote this Constitution. They are the ones who gave us this free government and you are only trying to wreck it. You ought to be ashamed of yourself.

Mr. ROONEY. I will not quarrel with or answer my friend. He is really a fine gentleman. It is too bad he cannot answer my question.

Mr. CRAWFORD. Mr. Chairman, I fully realize that this proposition is all cut and dried. Everybody is ready to vote, and what I say is not going to change anybody's mind, but I am impelled to join my friend from Pennsylvania on this issue, much as I disagreed with him the other day, and oppose this amendment.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASE of South Dakota. I think attention should be called to the fact that AGOA is not merely a relief program but it is a governmental administrative program which embraces the administration of a government of occupation, and that necessarily calls for much greater administration than a relief program which is worked out with the country involved. There is also involved here an educational program, and administration of the educational program has to come out of this fund. So there are sound reasons for the administrative costs of AGOA greatly exceeding on a percentage basis those of ECA itself. This particular item deals with government and relief in occupied countries.

Mr. CRAWFORD. One thing I wish to get straightened out in my own mind is the amount recommended in this military government item: Is the gentleman from New York going to stand by the committee recommendation or by the amendment?

Mr. TABER. The committee recommended \$850,000,000 in one place, and \$29,750,000 in another on this particular item. That, of course, was the action of the committee. The amendment has been offered here. As a matter of fact, this particular set-up with the obligation that is on this country to take care of relief in occupied territory is an entirely different subject than the ECA, and we have got to meet our responsibility there. The figure for relief in Germany has been cut already below the authorization of the \$80,000,000 since the authorization bill was passed in connection with the ECA appropriation.

Mr. CRAWFORD. May I ask this question: Does the Committee on Appropriations recommend on page 6, line 16, \$850,000,000 or \$925,000,000?

Mr. TABER. The committee voted to recommend \$850,000,000; and they further voted to recommend \$29,750,000 for the other figure.

Mr. CRAWFORD. So far as the gentleman from New York knows, is the

committee standing by this \$850,000,000 or does the committee now stand for the \$975,000,000?

Mr. TABER. The chairman of the subcommittee in charge of the bill has offered this amendment. It is in the nature of a compromise; and, frankly, I shall not oppose it.

Mr. CRAWFORD. I thank the gentleman for his remarks. I feel this is an awfully loose manner in which to handle the funds provided by the taxpayers of this country; and here is one of the basic reasons why I will not support this bill. I expect to vote against the bill, because I think this whole program is in a runaway frame of mind; I do not think the Congress has ever had control of this program; I do not think it has ever been administered in a reasonable, efficient manner; and I think we are disrespectful of the taxpayers of the United States in so loosely handing out funds for these international projects.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I have not made a habit of using much of the time of this House in debate on bills, and my record to date will certainly not label me as a reactionary. But, gentlemen, I can not understand how this committee can have the guts, gall, and audacity to ask for an additional \$15,000,000 to administer the giving away of funds in Japan and Germany. The bill calls for \$30,000,000, and you are asking this House for a total of \$45,000,000 to supervise the spending of billions of dollars for direct relief to the people of these defeated countries, who waged war against us. Of course, the Civil War is over, and perhaps shouldn't be mentioned, but it is hard for me to ignore the fact that you did not give us in the South \$45,000,000 to supervise the spending of billions for the people of the South at the expiration of the Civil War. We were conquered and treated as conquered people. All you gave us were carpetbag judges and allowed us to starve.

Just last night, as quoted in this morning's newspaper, the President of the United States said in a speech that this country had made history by assisting defeated foreign enemies taken over by us, and at the same time allowing our people to do without the necessities of life.

This compromise that has been entered into by and between the Democratic and Republican leadership is quite amusing. Let projects be offered by either administration for the benefit of this Nation, and there is never a compromise, but a bitter fight to the last ditch in an effort to preclude our people from receiving helpful assistance that we may send it overseas to ungrateful, socialistic countries.

Mr. GARY. Will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Virginia.

Mr. GARY. I am wondering if the gentleman thinks that Virginia is north of the Mason and Dixon's line?

Mr. TACKETT. I know where the gentleman is from. I know all about that, but what I am talking about is how foolish the gentleman is acting today. One would not know that the gentleman was from Virginia by the way he is willing to throw the taxpayers' money around. I shall support no part of any such legislation.

Mr. GARY. I am proud of the fact that I am from Virginia.

Mr. MONRONEY. Mr. Chairman, I am strongly in favor of the amendment offered by Mr. GARY to prevent the proposed disastrous cut in ECA funds.

In offering this amendment the gentleman from Virginia [Mr. GARY] will undo some of the damage done to this great program. However, no one can deny that we narrowly averted a great tragedy to this useful program, that has done so much to help protect the vital sectors of Europe against the threat of Communist domination.

The deep cut in the funds would have impaired the hand of the State Department in the present Foreign Ministers Conference, and worse than that, would have shaken the faith of all those Europeans who have begun to see daylight in recovery as free men under the Marshall plan.

We are faced with a peculiar psychology in this debate on the bill. Many of those who claimed that the program last year was destined to fail, now oppose it on the basis that it has succeeded so well that adequate funds are no longer needed.

While it is true that under the able management of Mr. Paul Hoffman, the director, and his staff, that remarkable progress has been made—while it is true that the program is ahead of schedule and showing remarkable results—any cut now in the funds required would be fatal to the program.

The time to make it succeed is in this second year—the crucial year for Europe and its recovery. Europe now has hope and confidence in itself and in its ability to recover.

They have entered the program and cooperated wholeheartedly to make it work and now see results. To pull the rug out from under the program now by drastic cuts, would lose the valuable momentum that has been achieved. It would turn the program from a recovery program back into a relief program—and stretch out by several years the length of time required to achieve the goal of recovery.

Thus, it could prove false economy in the extreme. By trying to save three hundred or four hundred millions now might cost us billions or more later on as the program failed to meet its goal within the 4-year period.

From the end of the war until now, the United States has made available to western Europe more than \$11,900,000,000. Most of that, before the ECA was relief, a continuing grant without hope of the recipients becoming self-sustaining. At long last we are on the track toward recovery of Europe—and not just relief. But to make any such slash in funds as was proposed by the full com-

mittee would certainly insure that recovery would be long delayed and our ultimate expense greatly increased.

This entire program, I feel, must be measured against the cost of the war which exceeded some \$350,000,000,000. Likewise it must be measured against the continuing cost of our military appropriations which exceeds sixteen billions each year. If this plan succeeds, there is strong hope that we may get out from under this terrific armament cost at an earlier time, for it is strictly a movement in the direction of world peace and world recovery.

No one who has studied the hearings can doubt the great care, the careful screening, that goes into all ECA allocations. The objections in debate raised against the ECA missions is entirely unfounded. For it is the complete understanding of each country's economy, their import and export positions, their standard of living and other vital detail, that makes it possible to render the proper amount of recovery aid without the dangers of waste or extravagance.

This action also has a most beneficial effect on the recipient countries themselves, in showing them in clear and concise fashion their economic problems and what they can do to increase their production, to decrease their dollar demands, and to increase their exports to other countries.

Most Americans overlook the tremendous results that this vital aid brings. The aid is about 3 percent of their production, yet without this 3 percent, much of their own 97 percent of the production would be lost. It is our raw materials that makes possible the production that brings recovery. Thus, for a 3-cent investment, we greatly magnify it to make possible them producing 97 cents for themselves. Measure the effect of drastic cuts upon the program and see how much of this ratio of 33 to 1 you will cut out of their chance for recovery.

Contrary to charges raised here in the debate that Europe uses this aid to raise their living standards, figures show that most of the gains in production are plowed back into productive resources. About thirty billions this year went into new capital formation—for the tools to secure greater and better production later on.

The program will taper off to end at the expiration of 4 years. This year there will be a decline of 17 percent. Next year further decreases can be safely made under the program. But it must be an orderly decrease and not one which will wreck the good already achieved. To wreck it now with meat-ax methods without regard to the carefully screened needs would be to destroy the phenomenal success that has already been achieved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. GARY].

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. Mr. Chairman, may I demand a division, or a separate vote

on the change of the figure of \$850,000,-000 and in the change of the figure of \$29,750,000?

The CHAIRMAN. That would be subject to demand for a division.

Mr. GARY. Mr. Chairman, I raise a point of order that, the vote having been taken, it is too late for the gentleman to request a division of the question.

The CHAIRMAN. The vote had not been determined. We were about to take the vote. Does the gentleman from New York [Mr. KEATING] request a division?

Mr. KEATING. Mr. Chairman, I demand a division of the question.

The CHAIRMAN. The vote is on the first portion of the amendment which authorizes an increase from \$850,000,000 to \$925,000,000.

The question was taken; and on a division (demanded by Mr. TACKETT) there were—ayes 120, noes 39.

So the first part of the amendment was agreed to.

The CHAIRMAN. The question is on the second portion of the amendment, which provides for an increase in funds from \$25,750,000 to \$45,000,000.

The second part of the amendment was agreed to.

The Clerk read as follows:

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. This act may be cited as the "Foreign Aid Appropriation Act, 1950."

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. RICH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RICH. Indeed I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RICH moves that the bill be recommitted to the Committee on Appropriations.

Mr. GARY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the "ayes" had it.

Mr. RICH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BURDICK, Mr. O'HARA of Minnesota, and Mr. MARCANTONIO demanded the yeas and nays.

The yeas and nays were refused.

Mr. RICH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-four Members are present; a quorum.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 193, noes 27.

So the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, in order that I may inquire of the majority leader the program for the coming week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, we will meet tomorrow and then adjourn until Tuesday.

Mr. MARTIN of Massachusetts. I understand there will be no controversial business tomorrow.

Mr. McCORMACK. There will be no business tomorrow.

In just a moment I expect to ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Tuesday next.

As to the program for next week, there will be nothing on Monday because the House will not be in session.

On Tuesday we will take up House Resolution 215, providing for investigations to be made by the Committee on Merchant Marine and Fisheries. That will take not more than an hour. Following that will come the bill H. R. 834, to amend the Contract Settlement Act of 1944.

Mr. MARTIN of Massachusetts. Will the gentleman explain what that bill does?

Mr. McCORMACK. This bill came from the Committee on the Judiciary. The purpose of the bill is to compensate persons who without fault or negligence suffered loss in attempting to supply certain strategic or critical minerals or metals for the war effort.

Mr. MARTIN of Massachusetts. That has a unanimous committee report?

Mr. McCORMACK. I understand it has a unanimous report.

I might say that on Tuesday, if it appears that a roll call is to be had on action on any measure, if it is agreeable with the gentleman from Massachusetts I shall ask unanimous consent that such roll call be taken on Wednesday.

Mr. MARTIN of Massachusetts. That is agreeable to me.

Mr. McCORMACK. On Wednesday the bill relating to veterans' pensions will come up for consideration.

On Thursday and Friday there will be the bill H. R. 4569, the displaced-persons bill.

Any further program for the remainder of next week will be announced later. Conference reports, of course, may be brought up at any time, but not on Tuesday, for on that day nothing will be taken up of a controversial nature. I make this announcement with reference to Tuesday so that Members may govern themselves accordingly.

Mr. MARTIN of Massachusetts. I thank the gentleman.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3704) entitled "An act to provide additional revenue for the District of Columbia."

The message also announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) entitled "An act to amend the Commodity Credit Corporation Charter Act, and for other purposes."

The message also announced that the Senate further disagrees to the amendment of the House to the above-entitled bill and asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. ANDERSON, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

(Mr. ELLSWORTH asked and was given permission to extend his remarks at this point in the RECORD.)

CVA

Mr. ELLSWORTH. Mr. Speaker, Americans seem to have about two ways of trying to accomplish things in a governmental way. One is embodied in the well-worn slogan, "There ought to be a law." The other reached perhaps its highest point during the depression when the piling of executive agency upon agency created only slightly less confusion than the agencies themselves were expected to resolve.

It seems to me that we are too prone to do these things: First, to expect the mechanics of government to take over when our own moral accomplishments lag behind our responsibilities; and, second, to forget that where Government pays or subsidizes, it will also control.

Two wise men speak from the past words directly applicable to the subject under consideration. It was Jefferson who said, "That government is best which governs least." There is a compact statement which, considered one way, throws the responsibility for good government upon the shoulders of the people, because, stated otherwise, Jeffer-

son might have said, "Governmental controls should not be instituted except under clear and inescapable necessity."

Lincoln wrote:

In all that the people can individually do as well for themselves, government ought not to interfere.

I conceive that neither of these great men could have contemplated the imposition of such a super state as is envisioned in the Columbia Basin Administration with any high degree of unanimity. There were democrats—with a small "d"—men who still cherished and strove to preserve the freedom and dignity of individual men, and who knew the full meaning of political responsibility at the grass roots in building a powerful democratic force in a great and developing country.

Incidentally, it is interesting to note that, in the several bills already introduced for the creation of a CVA, the "A" is for "Administration," not for "Authority" as in TVA. This is a delightfully naive sugar coating to conceal the bitter content of the pill it is now proposed to administer to the free people of the Pacific Northwest. They might swallow the beautiful connotations of "Administration," ah, yes. That brings visions of efficiency and brilliant executives, smooth-running governmental machinery, and the elimination of those old bogeys of Government "waste, overlapping, and duplication." "Authority," though, brings up visions of the rod that chastises, policy power, controls, regulations. It is a bad word. But careful study of the bills themselves discloses little of the softening implied by the shift in title. The velvet glove still covers a hand of steel and the authority resides in the bills to take over and run the natural resources of the Northwest.

The powers and responsibilities of the Administration as defined in section 2 (a) of S. 1645—MAGNUSON et al.—say:

It is hereby declared to be the policy of the United States that the relevant powers and activities of the Federal Government in the Columbia Valley region shall be so organized, directed, and administered as to assist to the greatest possible extent in achieving the full and unified conservation, development, and use of the water, land, forest, mineral, fish and wildlife, and other natural resources of the region, for the purpose of fostering and protecting commerce among the several States, strengthening the national defense, developing the lands, and preserving the property of the United States, and promoting the general welfare.

I find little excluded. It includes all the things on the earth and beneath the surface thereof, the things that swim in the waters and fly in the air, and by inference, the things that crawl upon the surface of the earth. Presumably these latter might still be permitted to cast a ballot.

Now in section 5, we find the heading "State and local participation." Sounds nice, but listen to the language:

The Administration shall seek the advice, assistance, and participation of the people of the region and their State and local governments and organization, public and private, to the fullest practicable extent, in the formulation and execution of programs designed to carry out the purposes of this act.

The rest of the section tells about advisory boards and councils who may submit reports and opinions, but I am unable to find any language that requires the directors of the Administration to do any more than receive and register opinions of such advisory boards and councils.

Some read into these bills limited powers, but let me quote section 6 (b):

Subject to the policies, conditions, and limitations stated in this act, the Administration is authorized and directed to construct, operate, and maintain projects (including stand-by facilities), and to carry out activities, necessary for the promotion of navigation (except for channel and harbor improvement work in tidal waters tributary to the Pacific Ocean); for the control and prevention of floods; for the conservation and reclamation of lands and land resources; for the development and conservation of forest, mineral, and fish and wildlife resources; for the generation, transmission, and disposition of electric energy; for the execution of such other responsibilities as are vested in the administration by or pursuant to this act; and, in connection with any of the foregoing, for the development and conservation of recreational resources and for the promotion of sanitation and pollution control: *Provided*, That in the location, design, and construction of any dam or other facility, or any series of dams or facilities, the administration shall endeavor to foster, protect, and facilitate the access of all anadromous fish to and from their spawning areas throughout the region.

That is indeed an interesting section. While no specific mention is made of retail trade, one may assume that if it became necessary to run grocery stores it would be done under the general-welfare clause. Note carefully the "provided", which is lip service to the fishermen and completely without significance. The best authorities are agreed that another high dam on the Columbia means the end of commercial salmon fishing. I am certain that power and irrigation dams on the Rogue and the Umpqua will ruin those incomparable streams for the sport fishing that now constitutes one of the most important resources of Oregon. But note—not one word that says the people of the Umpqua or Rogue or Columbia can do any more than register an opinion. The CVA is constrained only to endeavor to foster, whatever that means, and facilitate the access, etc. I submit that these are weasel words. CVA could and would do as it pleased regardless of the fish.

Section 6 (c) is a beauty:

To the extent found necessary or appropriate in carrying out the foregoing subsection, or other provisions of law, but subject to the conditions and limitations herein stated, the Administration is authorized and shall have the power (1) to acquire real and personal property, including any interest therein, by purchase, lease, condemnation, exchange, transfer, donation, or otherwise, and to sell, lease, exchange or otherwise dispose thereof, including donations incident to experimentation, demonstrations, or other similar uses (without regard to section 3709 of the Revised Statutes, as amended); and to obtain services by contract, donation, or otherwise: *Provided, however*, That the Administration shall have no power to condemn any water right except as it may be appurtenant to land acquired incident to the construction of dams, reservoirs, or other projects or facilities.

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

9 For expenses necessary to enable the President to carry
10 out the provisions of the Economic Cooperation Act of 1948,
11 as amended by the Act of April 19, 1949 (Public Law
12 47), for the period commencing April 3, 1949, through

1 June 30, 1949, including expenses of attendance at meet-
2 ings concerned with the purposes of this appropriation (not
3 to exceed \$6,000) ; hire of passenger motor vehicles;
4 maintenance and operation and hire of aircraft; payment
5 of damage claims pursuant to law (28 U. S. C. 2672) ;
6 health service program as authorized by law (5 U. S. C.
7 150) ; rents in the District of Columbia; transportation of
8 privately owned automobiles; entertainment (not to exceed
9 \$6,000) ; exchange of funds without regard to section 3651
10 of the Revised Statutes; and loss by exchange; \$1,074,-
11 000,000, of which not to exceed \$125,000 shall be avail-
12 able for expenditures of a confidential character (other than
13 entertainment) under the direction of the Administrator or
14 the Deputy Administrator, who shall make a certificate of
15 the amount of each such expenditure which he may think
16 it advisable not to specify, and every such certificate shall
17 be deemed a sufficient voucher for the amount therein speci-
18 fied: *Provided*, That not to exceed \$4,400,000 in the
19 aggregate shall be available from this appropriation and
20 the appropriation under this head in the Foreign Aid Ap-
21 propriation Act, 1949, for administrative expenses during
22 the period April 3, 1949, through June 30, 1949.

23 For expenses necessary to enable the President to carry
24 out the provisions of the Economic Cooperation Act of 1948,
25 as amended by the Act of April 19, 1949 (Public Law 47),

1 for the fiscal year ending June 30, 1950, including expenses
2 of attendance at meetings concerned with the purposes of
3 this appropriation (not to exceed \$30,000) ; purchase (not
4 to exceed two) and hire of passenger motor vehicles; main-
5 tenance and operation and hire of aircraft; payment of
6 damage claims pursuant to law (28 U. S. C. 2672) ; health
7 service program as authorized by law (5 U. S. C. 150) ;
8 rents in the District of Columbia; transportation of privately
9 owned automobiles; entertainment (not to exceed \$25,000) ;
10 exchange of funds without regard to section 3651 of the
11 Revised Statutes; and loss by exchange; \$3,568,470,000, of
12 which not to exceed \$500,000 shall be available for ex-
13 penditures of a confidential character (other than enter-
14 tainment) under the direction of the Administrator or the
15 Deputy Administrator, who shall make a certificate of the
16 amount of each such expenditure which he may think it
17 advisable not to specify, and every such certificate shall be
18 deemed a sufficient voucher for the amount therein specified:
19 *Provided*, That this appropriation shall be consolidated and
20 merged with appropriations under this head for prior periods,
21 and such consolidated appropriation may be used during
22 the fiscal year 1950 within limitations herein specified:
23 *Provided further*, That not to exceed \$16,500,000 of such
24 consolidated appropriation shall be available for adminis-
25 trative expenses during the fiscal year 1950: *Provided*

1 *further*, That the entire amount may be apportioned for ob-
2 ligation or may be obligated and expended, if the President
3 after recommendation by the Administrator deems such action
4 necessary to carry out the purposes of said Act during the
5 period ending May 15, 1950.

6 ASSISTANCE TO GREECE AND TURKEY

7 For an additional amount for "Assistance to Greece
8 and Turkey", as authorized by the Act of May 22, 1947
9 (61 Stat. 103), as amended and supplemented, to be avail-
10 able immediately, \$50,000,000, which, together with the
11 amounts heretofore appropriated under this head, shall re-
12 main available until June 30, 1950; and the existing
13 limitation under this head in the Foreign Aid Appropria-
14 tion Act, 1949, on the amount available for administrative
15 expenses, shall continue in effect; and the existing limita-
16 tion under said head on the amount available for such
17 expenses in the District of Columbia is increased from
18 "\$400,000" to "\$425,000": *Provided*, That said limitations
19 shall apply only to the administrative expenses of the
20 Department of State.

21 NATIONAL MILITARY ESTABLISHMENT

22 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

23 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

24 For expenses, not otherwise provided for, necessary to
25 meet the responsibilities and obligations of the United States

1 in connection with the government or occupation of certain
2 foreign areas, including personal services in the District of
3 Columbia and elsewhere and, subject to such authorizations
4 and limitations as may be prescribed by the head of the
5 department or agency concerned, tuition, personal allow-
6 ances (not to exceed \$10 per day), travel expenses (not
7 to exceed those authorized for like United States military
8 or civilian personnel), and fees incident to instruction in
9 the United States or elsewhere of such persons as may be
10 required to carry out the provisions of this appropriation;
11 travel expenses and transportation; services as authorized
12 by section 15 of the Act of August 2, 1946 (5 U. S. C.
13 55a), at rates not in excess of \$50 per diem for individuals;
14 health service program as authorized by law (5 U. S. C.
15 150); payment of claims pursuant to law (28 U. S. C.
16 2672); translation rights, photographic work, educational
17 exhibits, and dissemination of information, including preview
18 and review expenses incident thereto; expenses incident to
19 the operation of schools for American children; printing
20 and binding; purchase and hire of passenger motor vehicles
21 and aircraft; repair and maintenance of buildings, utilities,
22 facilities, and appurtenances; contingencies for the United
23 States commanders, commissioners, or other administrators
24 of foreign areas, to be expended in their respective discre-
25 tions (not exceeding amounts authorized or approved by

1 the head of the department or agency concerned) ; such
2 minimum supplies for the civilian populations of such areas
3 as may be essential to prevent starvation, disease, or unrest,
4 prejudicial to the objectives sought to be accomplished;
5 and such supplies, commodities, and equipment as may be
6 essential to carry out the purposes of this appropriation;
7 \$925,000,000, of which not to exceed \$45,000,000 shall
8 be available for administrative expenses: *Provided*, That the
9 general provisions of the appropriation Act for the fiscal
10 year 1950 for the military functions of the Department of
11 the Army shall apply to expenditures made by that Depart-
12 ment from this appropriation: *Provided further*, That ex-
13 penditures from this appropriation may be made outside
14 continental United States, when necessary to carry out its
15 purposes, without regard to sections 355, 1136, 3648, and
16 3734, Revised Statutes, as amended, civil service or classifi-
17 cation laws, or provisions of law prohibiting payment of
18 any person not a citizen of the United States: *Provided*
19 *further*, That expenditures from this appropriation may be
20 made, when necessary to carry out its purposes, without
21 regard to section 3709, Revised Statutes, as amended, and
22 the Armed Services Procurement Act of 1947 (Public
23 Law 413, Eightieth Congress) : *Provided further*, That
24 expenditures may be made hereunder for the purposes of
25 economic rehabilitation in the occupied areas in such manner

1 as to be consistent with the general objectives of the Eco-
2 nomic Cooperation Act of 1948, as amended: *Provided*
3 *further*, That funds appropriated hereunder and unexpended
4 at the time of the termination of occupation by the United
5 States, of any area for which such funds are made available,
6 may be expended by the President for the procurement of
7 such commodities and technical services, and commodities
8 procured from funds herein or heretofore appropriated for
9 government and relief in occupied areas and not delivered
10 to such an area prior to the time of the termination of
11 occupation, may be utilized by the President, as may be
12 necessary to assist in the maintenance of the political and
13 economic stability of such areas: *Provided further*, That
14 before any such assistance is made available, an agreement
15 shall be entered into between the United States and the
16 recognized government or authority with respect to such
17 area containing such undertakings by such government or
18 authority as the President may determine to be necessary
19 in order to assure the efficient use of such assistance in
20 furtherance of such purposes: *Provided further*, That such
21 agreement shall, when applicable, include requirements and
22 undertakings corresponding to the requirements and under-
23 takings specified in sections 5, 6, and 7 of the Foreign Aid
24 Act of 1947 (Public Law 389, approved December 17,
25 1947): *Provided further*, That service of an individual

1 rendered under this appropriation as an expert, consultant,
2 adviser, or technician shall not be considered as service or
3 employment bringing such individual within the provisions
4 of sections 281 or 283 of title 18, United States Code, of
5 section 190, Revised Statutes (5 U. S. C. 99), or of
6 section 19 (e) of the Contract Settlement Act of 1944, or
7 of any other Federal law imposing restrictions, requirements,
8 or penalties in relation to the employment of persons, the
9 performance of services, or the payment or receipt of com-
10 pensation in connection with any claim, proceeding, or
11 matter involving the United States: *Provided further*, That
12 funds appropriated hereunder may be used, insofar as prac-
13 ticable, and under such rules and regulations as may be
14 prescribed by the head of the department or agency con-
15 cerned, to pay ocean transportation charges from United
16 States ports, including territorial ports, to ports in Japan
17 and the Ryukyus for the movement of supplies donated to,
18 or purchased by, United States voluntary nonprofit relief
19 agencies registered with and recommended by the Advisory
20 Committee on Voluntary Foreign Aid or of relief packages
21 consigned to individuals residing in such countries: *Pro-*
22 *vided further*, That under the rules and regulations to be
23 prescribed, the head of the department or agency concerned
24 shall fix and pay a uniform rate per pound for the ocean
25 transportation of all relief packages of food or other general

1 classification of commodities shipped to Japan or the
2 Ryukyus regardless of methods of shipment and higher rates
3 charged by particular agencies of transportation, but this
4 proviso shall not apply to shipments made by individuals
5 to individuals: *Provided further*, That the President may
6 transfer to any other department or agency any function or
7 functions provided for under this appropriation, and there
8 shall be transferred to any such department or agency such
9 unobligated balances of this appropriation and, without reim-
10 bursement and without regard to the appropriation from
11 which procured, such property as the Director of the Bureau
12 of the Budget shall determine to relate primarily to any
13 function or functions so transferred; and any funds so trans-
14 ferred may be expended either under the authority contained
15 herein or under the authority governing the activities of
16 the department or agency concerned.

17 TITLE II—GENERAL PROVISIONS

18 SEC. 201. No part of any appropriation contained in
19 this Act shall be used to pay the salary or wages of any
20 person who engages in a strike against the Government of
21 the United States or who is a member of an organization
22 of Government employees that asserts the right to strike
23 against the Government of the United States, or who advo-
24 cates, or is a member of an organization that advocates, the
25 overthrow of the Government of the United States by force

1 or violence: *Provided*, That for the purposes hereof an
2 affidavit shall be considered prima facie evidence that the
3 person making the affidavit has not contrary to the pro-
4 visions of this section engaged in a strike against the Govern-
5 ment of the United States, is not a member of an organiza-
6 tion of Government employees that asserts the right to strike
7 against the Government of the United States, or that such
8 person does not advocate, and is not a member of an or-
9 ganization that advocates, the overthrow of the Government
10 of the United States by force or violence: *Provided further*,
11 That any person who engages in a strike against the Govern-
12 ment of the United States or who is a member of an
13 organization of Government employees that asserts the right
14 to strike against the Government of the United States, or
15 who advocates, or who is a member of an organization
16 that advocates, the overthrow of the Government of the
17 United States by force or violence and accepts employment
18 the salary or wages for which are paid from any appropria-
19 tion contained in this Act shall be guilty of a felony and,
20 upon conviction, shall be fined not more than \$1,000 or
21 imprisoned for not more than one year, or both: *Provided*
22 *further*, That the above penalty clause shall be in addition
23 to, and not in substitution for, any other provisions of existing
24 law.

1 SEC. 202. This Act may be cited as the “Foreign Aid
2 Appropriation Act, 1950”.

Passed the House of Representatives May 26, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST Session

H. R. 4830

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on
Appropriations

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JUNE 10 (legislative day, JUNE 2), 1949

Referred to the Committee on Appropriations and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz: Strike out section 202, on lines 9 and 10 on page 11, and inserting in place thereof the following new sections:

1 SEC. 202. During the fiscal year ending June 30, 1950,
2 the Department of the Army is authorized and directed to
3 operate those plants for the production of anhydrous am-
4 monia and nitrogenous fertilizer materials or nitrogenous
5 compounds which are currently operated by or under con-
6 struction for operation by the said Department, except that
7 upon notice from the Secretary of Agriculture that nitrog-
8 enous fertilizer materials are no longer in short supply for
9 domestic agricultural use, the operation of said plants may be
10 curtailed in a manner not inconsistent with the terms of such

1 notice. During fiscal year ending June 30, 1950, the De-
2 partment of the Army is authorized to make available for
3 exports to nonoccupied countries receiving aid in the eco-
4 nomic cooperation program any additional quantities of
5 nitrogenous fertilizer materials or nitrogenous compounds
6 (including anhydrous ammonia) it produces in said plants
7 in excess of its requirements for the occupied countries, Ger-
8 many, Japan, and the Ryukyus. The proceeds of such
9 sales to nonoccupied areas shall be credited to the appro-
10 priation for Government and Relief in Occupied Areas to
11 the extent of cost of production for such sales and any balance
12 to miscellaneous receipts of the Treasury. Nothing contained
13 herein shall prohibit sale or lease by the Department of the
14 Army of the plants referred to herein. The amendment
15 made by Public Law 606, Eightieth Congress, approved
16 June 4, 1948, to section 1501 (b) (1) (E) of the Second
17 War Powers Act, 1942, as amended, and section 205 of
18 Public Law 793, Eightieth Congress, are repealed effective
19 June 30, 1949.

20 SEC. 203. This Act may be cited as the "Foreign Aid
21 Appropriations Act, 1950."

81ST CONGRESS
1ST Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JUNE 10 (legislative day, JUNE 2), 1949
Referred to the Committee on Appropriations and
ordered to be printed

FOREIGN AID APPROPRIATION ACT, 1950

JULY 12 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4830]

The Committee on Appropriations, to whom was referred the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 617, 470, 000
Amount of decrease by Senate committee (net)....	¹ 43, 746, 000
Amount of bill as reported to Senate.....	5, 573, 724, 000
Amount of estimates considered.....	6, 322, 544, 000
The bill as reported to the Senate, under the estimates.....	748, 820, 000

¹ Although the foregoing states the Senate reduction in the House bill is \$43,746,000, the amount of the Senate reduction in reality is \$403,871,420. For ECA for fiscal year 1950, the House appropriated on a 10½-month basis. The Senate committee has amended the bill to appropriate on a 12-month basis. Projecting the House bill for ECA on a 12-month basis and comparing such amount with the Senate figure for the same period, reveals a Senate reduction for ECA for fiscal year 1950 of \$299,871,420. To this reduction must be added reductions of \$74,000,000 effected by the Senate committee in the ECA appropriation for the last 3 months of fiscal year 1949, a \$25,000,000 reduction in the funds for government and relief in the occupied areas, and \$5,000,000 cut from the funds for Greece and Turkey—a total reduction of \$403,871,420. (See table at end of report.)

INTRODUCTION

The committee has had the momentously important question of the exact amount of foreign economic assistance that should be granted for the fiscal year 1950, and for a final portion of the fiscal year 1949, before it for a period of more than 1½ months. During this time the committee has conscientiously endeavored to ascertain the true requirements of foreign nations who are recipients of our financial assistance. To this end the most extensive set of hearings possible were

held and a great amount of testimony was presented by the agencies involved in behalf of funds for European economic assistance and for government and relief in occupied areas. Since the committee had before it for consideration more than \$6,000,000,000 in appropriations requests, or one-seventh of the entire spending program of the President for the fiscal year 1950, it was felt that more than ordinary attention should be directed toward these appropriations requests. Recent events tend to indicate that a declining national income, a deficit in our 1949 Federal budget, and an expected larger deficit in the fiscal year 1950, a series of recent price declines, and the obvious recovery of many nations participating in the European recovery program, make possible, and desirable, a lesser amount of appropriations for foreign purposes.

It is for this reason, therefore, that the committee feels constrained to recommend to the Senate reductions in the appropriations for the purposes of this bill aggregating \$748,820,000 under the budget estimates and \$43,746,000 under the amounts allowed by the House.

It is not believed that the reductions made will in any wise either impede the continued progress of these programs or hamper their administration in any appreciable way. Careful allocation of these funds by their administrators with due regard for proper American interests should result in the accomplishment of the goals of these programs and, at the same time, should relieve the American taxpayer of an additional unnecessary drain on his resources in order to assist foreign nations.

LEGISLATIVE BRANCH

SENATE

JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION

The committee provided the sum of \$344,000 for the Joint Committee on Foreign Economic Cooperation, as authorized by Section 124, Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress. The committee heard the chairman of the joint committee and members of his staff. It is the consensus of the committee that the work of the joint committee has been of inestimable value in reviewing and analyzing the functioning of the Economic Cooperation Administration. Therefore, the committee has provided the funds necessary to implement the law and feels that, in view of the vast operation involving a most difficult and complex program, the full time of a committee staff is required in studying and reporting on the progress, the administration, and execution of the programs of United States foreign assistance.

The committee has also restored language to the bill under the appropriation language for government and relief in occupied areas providing that the Joint Committee on Foreign Economic Cooperation shall have the same powers, duties, and responsibilities as it has with respect to ECA appropriations.

THE EUROPEAN RECOVERY PROGRAM

The mere appropriation of funds, no matter how large in amount, will not assist Europe to full recovery unless the nations of Europe, themselves, are willing to cooperate economically to the greatest

extent possible, first, in the elimination of all unnecessary trade barriers and, second, in the free interchange of their currencies on the basis of true value. Steps which are taken in the contrary direction will only serve to increase American liability for future appropriations in greater amount and will put recovery further out of possible reach. European nations which are recipients of our bounty should take greater pains to solve the twin problems of trade barriers and currency exchange.

It is further obvious that the nations of Europe must increase by their own efforts the production of goods for their own use and for export. While production has been on the increase, labor productivity could be increased to assure the success of the program within the time limits established.

The committee is well aware that the amounts recommended for appropriations to the participating countries under the European recovery program are considerably below the amounts recently authorized by the Congress for the last quarter of fiscal 1949 and for the fiscal year 1950. At the time these authorizations were before the Congress the proponents of the program repeatedly stated in answer to attempts to reduce the authorization amounts that the Appropriations Committees of the House of Representatives and the Senate would have a later opportunity to examine the precise needs of this program and to determine these needs in the light of detailed budget justifications. As it has always done, the Senate Committee on Appropriations has exercised this amply recognized function and, therefore, recommends to the Congress a lesser amount of appropriations than the authorizations granted under the substantive act. It does so as the result of a detailed analysis of the budget justifications and the testimony given by the officials representing the program.

The Administrator of the Economic Cooperation Administration testified that he would endeavor, if possible, to utilize the appropriations granted by the House of Representatives on the basis of 10½ months so that they would suffice for the fiscal year 1950. Inasmuch as the committee preferred to make appropriations for the entire fiscal year and inasmuch as the committee has allowed a greater sum for this purpose than was allowed by the House of Representatives, it is our judgment that the Administrator's desire to live within the appropriation grants will be enhanced by the committee action.

The appropriation for the last quarter of fiscal year 1949 has been reduced from the request of \$1,074,000,000 to \$1,000,000,000 since the fiscal year has been completed and ECA could not have legally obligated the Federal Government for this additional amount of \$74,000,000. Under the authorization act, which preceded the consideration of the appropriations requests, the ECA had authority to borrow from the Reconstruction Finance Corporation up to \$1,000,000,000 for the last quarter of 1949, to be repaid from appropriations for this final quarter of this fiscal year. The amount allowed by the committee will permit the repayment of this sum of \$1,000,000,000 borrowed from the Reconstruction Finance Corporation.

The total of \$3,628,380,000 appropriated for the full fiscal year 1950 is based on the committee's recognition of our own national fiscal situation, the general price declines which are still occurring, and the judgment that this sum represents the limit of American capacity to

render foreign economic assistance in the current fiscal year. Furthermore, the committee decided to grant an additional \$150,000,000 in the form of loans to cooperating nations which will be financed as a public-debt transaction and not on an appropriations basis. This sum will be available, however, as economic assistance to Europe during the fiscal year 1950.

The ECA had requested for the last quarter of fiscal 1949 the sum of \$125,000 and for the full fiscal year 1950 the sum of \$500,000 to be utilized as a confidential fund and to be taken from its total appropriation for the European recovery program. The committee eliminated the request for the last quarter of fiscal 1949 since that fiscal period has already been completed and as of April 2, 1949, of the \$200,000 available in the 1949 appropriation act only \$1,582 had been obligated. For fiscal year 1950 the committee allowed a similar sum of \$200,000, reducing the request by \$300,000. The ECA Administrator testified that such reductions would not impede the operations of the program.

The committee allowed the full request of \$16,500,000 for administrative expenses, and took special cognizance of the increase requested for the Controller's offices abroad. It is felt that these offices are a most sensitive and vital aspect of the proper administration of the Economic Cooperation Administration and the committee expects the offices of the Controller to be implemented as indicated in the budget justification. For fiscal 1950, the budget proposal indicates additions of 47 American personnel to these offices. It is the view of the committee that such increase is entirely justified and should be accomplished as expeditiously as feasible.

The committee also included in the bill a provision that \$50,000,000 be granted upon credit terms from the ECA appropriations included in this measure for assistance to Spain, thus bringing that nation into the European recovery program.

In addition, the committee adopted a provision which would prevent the use by a participating country of local counterpart funds when that country (a) failed to comply with any treaty with the United States, or (b) causes or permits any area dependent upon it to fail to comply with any such treaty. In adopting this restriction on the use of counterpart funds the committee had in mind specifically the situation in French Morocco where American business interests are being discriminated against in violation of an existing treaty between the United States and the Moroccan Government.

PUBLICIZING AMERICAN ASSISTANCE TO EUROPEAN NATIONS

While the committee recognizes that ECA has expended nominal sums of money, including local currency funds, for the purpose of publicizing the assistance furnished by the American taxpayer under this program to each participating country, we consider this activity so important that an express directive to that effect is included in this appropriation bill, which admonishes the Administrator to utilize local currency funds to the fullest extent possible to give full and continuous publicity through all available media, regarding the assistance, including its purpose, source, and character, furnished pursuant to the Economic Cooperation Act of 1948.

This amendment will make available for publicizing American assistance 1 percent of counterpart funds, in addition to the 5 percent

now required pursuant to section 115 (h) of Public Law 472, as amended, for use by the ECA for administration, purchase of strategic materials, and for other purposes.

Of the counterpart funds already deposited, less than two-thirds has been allocated for utilization by the participating countries. The committee provision for publicizing American assistance, therefore, will not jeopardize the counterpart funds.

DISMANTLING OF GERMAN WAR PLANTS

The authorization bill for the Economic Cooperation Administration as originally approved by the Congress provided for a review of plants to be dismantled for reparations. This law, as interpreted, made no provision for a review of the "Prohibited and Limited Industries." The committee has approved the following language to be inserted in the bill which will provide for a review of the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany:

Provided further, That the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of the Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany.

Attention is called to the fact that by a recent order of the military government of the three western zones, the dismantling of a hydrogenation plant at Gelsenberg has been ordered, although this plant was by order of the military authorities reconstructed during the winter of 1948-49 and although a similar plant at Wesseling is permitted to continue to operate. It would appear that the dismantling of this plant in accordance with the recent order will throw 3,000 persons out of employment and, of course, will reduce production in western Germany. It is reported that the plant at Wesseling is being operated on behalf of the Dutch Shell Oil Co. while the plant at Gelsenberg is operated by Standard Oil. Crude petroleum for both plants is furnished through the ECA. Likewise, it is reported that similar orders have been issued with respect to a group of six plants employing the Fischer-Tropsch process of hydrogenation of coal, an indigenous product. The entire output of such plants as are in operation is being consumed in the German economy. These incidents are recited as an indication of the great need for review of the orders dismantling plants which produce for the German economy, in view of the added expense to the American taxpayer of continuing such programs.

ASSISTANCE TO GREECE AND TURKEY

The committee reduced the amount requested for assistance to Greece and Turkey from \$50,000,000 to \$45,000,000. This appropriation represents the final phase of an authorized program of \$675,000,000, and it was requested by the President pending action on a general request for military assistance now before the Congress. A majority of the members of the committee were of the view that the sum allowed will not impair our obligations under the original Greek-Turkey authorization act and that the sum would be sufficient in view of general price declines.

NATIONAL MILITARY ESTABLISHMENT

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

With respect to government and relief in occupied areas the committee was of the opinion that former enemy nations would not suffer unduly by a restriction of funds to \$900,000,000, which is \$25,000,000 less than allowed by the House of Representatives. A wise and prudent administration of these funds, whether by the Department of the Army or the State Department, which is expected to succeed the Army in the discharge of this function, should make it possible for the responsible administrators to govern and to assist these occupied areas without difficulty.

Moreover, the committee was convinced that the Department of the Army was requesting a larger sum for administrative purposes than could be reasonably justified for the handling of the problems inherent in providing government and relief in occupied areas. In consequence, the committee ordered a reduction from \$45,000,000 to \$40,000,000 for the expenses of operating this program.

CLEARANCE OF FOREIGN PERSONS ENTERING THE UNITED STATES

The committee particularly wishes to express its concern over the interchange-of-persons program involving the bringing of national leaders, industrial and labor leaders, and students from participating countries and from occupied areas to this country. Both GARIOA and ECA are enjoined to exercise the greatest possible care to insure that foreign nationals whose friendship and regard for this country are questionable should not be permitted to visit this country, at our expense, in any guise. It is likewise felt that any amplification of these programs for the interchange of persons should be held to the minimum consistent with the positive value to be obtained from such expansion and the availability of funds which may be safely diverted from the major purposes of both GARIOA and ECA.

By way of reiteration, the committee fully expects the maximum possible screening and clearance of all foreign nationals allowed to enter this country under the guise of national leadership, education, or other reorientation schemes.

INCREASES AND LIMITATIONS

The changes in the amounts of the House bill recommended by the committee are as follows:

Legislative Branch

SENATE

Contingent expenses of the Senate:

Joint Committee on Foreign Economic Coopera-
tion -----

\$344, 000

The committee has approved an amendment to the bill providing for an appropriation of \$344,000 for the Joint Committee on Economic Cooperation. The budget estimate for the joint committee is \$344,000; however, no funds were provided for the committee by the House in the legislative branch appropriation bill for 1950.

Economic Cooperation Administration

ECA program for fiscal year 1950 -----

\$59, 910, 000

The budget estimate for the program for fiscal year 1950 is \$4,198,200,000. The House approved an appropriation of \$3,568,470,000, with the provision that the funds could be expended in a 10½-month period. The committee has deleted the provision with respect to the 10½-month period, thereby placing the appropriation on a full fiscal-year basis. The committee has provided an appropriation for the full fiscal year of \$3,628,380,000, which is an increase in the appropriation in the bill of \$59,910,000. However, as is explained on page 1 of this report, the amount allowed by the Senate committee is in reality a reduction under the House figure of \$299,871,420 by reason of the appropriation being made for a 12-month period. The House figure for a 12-month period which would be comparable with the Senate committee figure is \$4,078,251,420. The difference between this figure and the Senate committee figure is \$449,871,420, from which is subtracted \$150,000,000 which the committee has provided as a public-debt transaction, resulting in a reduction of \$299,871,420. The \$150,000,000 authorized as a public-debt transaction will be available to the ECA in the form of a loan from the Treasury of the United States and this amount together with the appropriation of \$3,628,380,000 provided in the bill will provide a total amount available to the ECA of \$3,778,380,000, which is 10 percent under the budget estimate of \$4,198,200,000.

Confidential fund, period Apr. 3, 1949, to June 30, 1949:

The committee has recommended that the following language in the bill be deleted:

of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified * * *.

INCREASES AND LIMITATIONS—Continued

Economic Cooperation Administration—Continued

Confidential fund, fiscal year 1950:

The committee has approved an amendment reducing the amount available for a confidential fund for fiscal year 1950 from \$500,000 approved by the House to \$200,000.

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing, and (2)

The foregoing amendment refers to the Economic Cooperation Administration budget justification submitted to the Senate. The ECA budget justification submitted to the Senate includes the tables and other material submitted by the ECA which breaks down in detail the expected purchases of agricultural products.

Spain, assistance to:

The committee has approved the following language be inserted in the bill which provided that \$50,000,000 of the funds available to the ECA shall be used only for assistance to Spain:

That of this appropriation \$50,000,000 shall be used only for assistance to Spain, to be expended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended: Provided further

Authority for ECA to borrow from Treasury:

The committee has approved the following language to be inserted in the bill which authorizes the ECA to borrow from the Treasury \$150,000,000 for use on credit terms:

: Provided further, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said Act; and the provisions of paragraph (2) of section 111 (c) of said Act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein

Counterpart funds to publicize American assistance:

The committee has approved an amendment reading as follows with respect to the use of part of the counterpart funds in the furtherance of publicity by press, radio, or any other means of the use of Economic Cooperation Administration funds:

: Provided further, That the Administrator is authorized to utilize any unexpended portion of the 5 per centum of

INCREASES AND LIMITATIONS—Continued

Economic Cooperation Administration—Continued

Counterpart funds to publicize American assistance—
Continued

each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 (allocated in title I, Public Law 793, Eightieth Congress), as amended by section 9 (b) of Public Law 47, Eighty-first Congress, and an additional 1 per centum of such funds as shall accrue in each of said special local currency accounts after passage of this Act in the furtherance of publicity by press, radio, or any other means of the use of Economic Cooperation Administration funds

Limitations on aid to countries failing to comply with
any treaty with United States:

The committee has approved the following amendment which has been inserted in the bill:

: Provided further, That none of the local currencies required by section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, to be deposited in local currency accounts as a result of assistance furnished, through the use of funds appropriated by the foregoing provisions of this title, shall be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (b) causes or permits any area dependent upon it (as designated in the Bilateral Agreements) to fail to comply with any such treaty

Dismantling of German war plants:

The committee has approved the following language to be inserted in the bill:

Provided further, That the list of Limited and Prohibitive Industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany.

National Military Establishment

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall be available only for such financing, and (2)

The foregoing amendment refers to the Department of the Army budget justification submitted to the Senate. The Department of the Army budget justification submitted to the Senate includes the tables and other material submitted by the Department of the Army which breaks down in detail the expected purchases of agricultural products.

INCREASES AND LIMITATIONS—Continued

National Military Establishment—Continued

Members of armed forces employed for GARIOA operations:

The committee has approved the following amendment for inclusion in the bill:

: Provided, That when members of the armed forces are employed primarily for the purpose of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid therefrom

Employees of civilian agencies utilizing Army facilities for purchase of supplies:

It was represented to the committee that when employees of civilian agencies of the Government purchase supplies through Army facilities an additional charge of 10 percent is imposed upon them. The transfer of control of the military government in Germany from the Department of the Army to the Department of State would result in an additional charge of 10 percent being made on the purchases of employees who will be transferred from the Army Department to the State Department. Accordingly, the committee has approved the following language to be included in the bill:

: Provided further, That when the Department of the Army, under the authority of the Act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany

General Provisions

Fertilizer amendment:

The committee has approved an amendment to the bill dealing with the fertilizer situation which reads as follows:

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for Government and Relief in Occupied Areas an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury: Provided, however, That nothing in this section shall be construed to repeal the provisions of section 205 of Public Law 793, Eightieth Congress, with respect to the production and allocation of nitrogenous fertilizer materials for domestic use.

Total increase-----

\$60,254,000

DECREASES AND LIMITATIONS

Economic Cooperation Administration

ECA program for period Apr. 3, 1949, to June 30, 1949-----	\$74, 000, 000
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The budget estimate for the ECA program for the last quarter of the fiscal year 1949 is \$1,074,000,000. The House approved the full budget estimate. The committee has approved an appropriation for this period of \$1,000,000,000 which is a reduction in the House bill of \$74,000,000.

Assistance to Greece and Turkey

Assistance to Greece and Turkey, fiscal year 1950 ---	5, 000, 000
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The budget estimate for the Greece and Turkey program for fiscal year 1950 is \$50,000,000 which is the amount approved by the House. The committee has approved an appropriation for this purpose of \$45,000,000 which is a reduction of \$5,000,000 in the House bill.

National Military Establishment

Government and relief in occupied areas-----	25, 000, 000
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The budget estimate for the GARIOA program for fiscal year 1950 is \$1,000,000,000. The House approved an appropriation of \$925,000,000 and the committee has reduced this figure by \$25,000,000 to provide an appropriation of \$900,000,000. The committee has also effected a reduction in the amount available for administrative expenses from \$45,000,000 approved by the House to \$40,000,000.

Total decrease-----	104, 000, 000
Total increase-----	60, 254, 000
Net decrease-----	43, 746, 000
Amount of bill as reported to Senate-----	5, 573, 724, 000

COMPARISON OF AMOUNTS IN BILL WITH APPROPRIATIONS FOR 1949 AND ESTIMATES FOR 1950

	Appropriated and recommended, 1949	Amount of budget estimate, 1950	Amount recommended in House bill, 1950	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
Joint Committee on Foreign Economic Cooperation.....	\$282,000	\$344,000		\$344,000	+\$62,000		+\$344,000
Economic Cooperation Administration (Apr. 3, 1948-Apr. 2, 1949).....	4,000,000,000				-4,000,000,000		
Public debt transaction under sec. 111 (c) (2), Public Law 472 (80th Cong.) (Apr. 3, 1948-Apr. 2, 1949).....	1 1,000,000,000			1 150,000,000	-\$50,000,000	+\$150,000,000	
Supplemental (Apr. 3-June 30, 1949).....	2 1,000,000,000				-1,000,000,000		
Regular annual (fiscal year 1950).....		4,198,200,000	3 \$3,568,470,000	3 3,628,380,000	+3,628,380,000	-569,820,000	3 +59,910,000
Assistance to Greece and Turkey.....	225,000,000	50,000,000	50,000,000	45,000,000	-180,000,000	-5,000,000	-5,000,000
Government and relief in occupied areas.....	1,300,000,000	1,000,000,000	925,000,000	900,000,000	-400,000,000	-100,000,000	-25,000,000
Total (for comparative purposes).....	6,525,282,000	5,248,544,000	4,543,470,000	4,573,724,000	-1,951,558,000	-674,820,000	+30,254,000
Economic Cooperation Administration, fiscal year 1949.....		1,074,000,000	1,074,000,000	1,000,000,000		-74,000,000	-74,000,000
Total in accompanying bill.....		6,322,544,000	5,617,470,000	5,573,724,000		-748,820,000	-43,746,000

¹ Not appropriated funds.

² Carried in accompanying bill.

³ The Senate committee bill places the appropriation for ECA for fiscal year 1950 on a 12-month fiscal-year basis, whereas the House had authorized the use of the funds in 10½ months. If the House figure of \$3,568,470,000 for 10½ months is projected for a 12-month period, the figure for comparison with the Senate amount is \$4,078,251,420. Whereas the above table indicates the Senate committee bill for ECA is in excess of the House bill in the amount of \$59,910,000, in reality the Senate committee bill for ECA for fiscal year 1950 is under the House bill in the amount of \$299,871,420. This figure is calculated by adding \$150,000,000 which the Senate committee authorized in the form of a public-debt transaction to the Senate committee figure of appropriations in the bill of \$3,628,380,000 for a total of \$3,778,380,000 and subtracting this Senate figure from \$4,078,251,420, which is the House figure on a projected 12-month basis.

Calendar No. 656

81ST CONGRESS
1ST SESSION

H. R. 4830

[Report No. 655]

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on Appropriations

JULY 12 (legislative day, JUNE 2), 1949

Reported by Mr. McKELLAR, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

LEGISLATIVE BRANCH

SENATE

CONTINGENT EXPENSES OF THE SENATE

10 *Joint Committee on Foreign Economic Cooperation:*
11 *For salaries and expenses of the Joint Committee on For-*

1 *aign Economic Cooperation, as authorized by Public Law*
2 *472, Eightieth Congress, as amended by Public Law 47,*
3 *Eighty-first Congress, including per diem and subsistence*
4 *expenses, without regard to the Travel Expense Act of 1949,*
5 *approved June 9, 1949, \$344,000: Provided, That this*
6 *appropriation shall be available from and including July 1,*
7 *1949, for the purpose provided herein. All obligations in-*
8 *curred during the period between July 1, 1949, and the*
9 *date of the enactment of this Act in anticipation of such*
10 *appropriation are hereby ratified and confirmed if in accord-*
11 *ance with the terms hereof.*

12 FUNDS APPROPRIATED TO THE PRESIDENT

13 ECONOMIC COOPERATION

14 For expenses necessary to enable the President to carry
15 out the provisions of the Economic Cooperation Act of 1948,
16 as amended by the Act of April 19, 1949 (Public Law
17 47), for the period commencing April 3, 1949, through
18 June 30, 1949, including expenses of attendance at meet-
19 ings concerned with the purposes of this appropriation (not
20 to exceed \$6,000); hire of passenger motor vehicles;
21 maintenance and operation and hire of aircraft; payment
22 of damage claims pursuant to law (28 U. S. C. 2672);
23 health service program as authorized by law (5 U. S. C.
24 150); rents in the District of Columbia; transportation of
25 privately owned automobiles; entertainment (not to exceed

1 \$6,000) ; exchange of funds without regard to section 3651
2 of the Revised Statutes; and loss by exchange; ~~\$1,074,-~~
3 ~~000,000~~ \$1,000,000,000,—of which not to exceed \$125,000
4 shall be available for expenditures of a confidential character
5 (other than entertainment) under the direction of the Ad-
6 ministrator or the Deputy Administrator, who shall make a
7 certificate of the amount of each such expenditure which he
8 may think it advisable not to specify, and every such certifi-
9 cate shall be deemed a sufficient voucher for the amount
10 therein specified: *Provided*, That not to exceed \$4,400,000
11 in the aggregate shall be available from this appropriation
12 and the appropriation under this head in the Foreign Aid
13 Appropriation Act, 1949, for administrative expenses during
14 the period April 3, 1949, through June 30, 1949.

15 For expenses necessary to enable the President to carry
16 out the provisions of the Economic Cooperation Act of 1948,
17 as amended by the Act of April 19, 1949 (Public Law 47),
18 for the fiscal year ending June 30, 1950, including expenses
19 of attendance at meetings concerned with the purposes of
20 this appropriation (not to exceed \$30,000) ; purchase (not
21 to exceed two) and hire of passenger motor vehicles; main-
22 tenance and operation and hire of aircraft; payment of
23 damage claims pursuant to law (28 U. S. C. 2672) ; health
24 service program as authorized by law (5 U. S. C. 150) ;
25 rents in the District of Columbia; transportation of privately

1 owned automobiles; entertainment (not to exceed \$25,000) ;
2 exchange of funds without regard to section 3651 of the
3 Revised Statutes; and loss by exchange; ~~\$3,568,470,000~~
4 \$3,628,380,000, of which (1) *the amount required to finance*
5 *the procurement of surplus agricultural products (deter-*
6 *mined surplus by the Secretary of Agriculture) of the kinds*
7 *and in the quantities set out in the Economic Cooperation*
8 *Administration budget justification submitted to the Senate*
9 *shall be available only for such financing, and (2) not to*
10 *exceed \$500,000 \$200,000 shall be available for ex-*
11 *penditures of a confidential character (other than enter-*
12 *tainment) under the direction of the Administrator or the*
13 *Deputy Administrator, who shall make a certificate of the*
14 *amount of each such expenditure which he may think it*
15 *advisable not to specify, and every such certificate shall be*
16 *deemed a sufficient voucher for the amount therein specified:*
17 *Provided, That of this appropriation \$50,000,000 shall be*
18 *used only for assistance to Spain, to be extended upon*
19 *credit terms as provided in section 111 (c) (2) of the*
20 *Economic Cooperation Act of 1948, as amended: Provided*
21 *further, That this appropriation shall be consolidated and*
22 *merged with appropriations under this head for prior periods,*
23 *and such consolidated appropriation may be used during*
24 *the fiscal year 1950 within limitations herein specified:*
25 *Provided further, That not to exceed \$16,500,000 of such*

1 consolidated appropriation shall be available for adminis-
2 trative expenses during the fiscal year 1950: ~~Provided~~
3 ~~further, That the entire amount may be apportioned for ob-~~
4 ~~ligation or may be obligated and expended, if the President~~
5 ~~after recommendation by the Administrator deems such action~~
6 ~~necessary to carry out the purposes of said Act during the~~
7 ~~period ending May 15, 1950: Provided further, That the~~
8 ~~Administrator is authorized to issue notes from time to time~~
9 ~~during the fiscal year 1950 for purchase by the Secretary~~
10 ~~of the Treasury in an amount not exceeding in the aggre-~~
11 ~~gate \$150,000,000, for the purpose of allocating funds dur-~~
12 ~~ing such fiscal year to the Export-Import Bank of Washington~~
13 ~~for assistance on credit terms under the provisions of said~~
14 ~~Act; and the provisions of paragraph (2) of section 111 (c)~~
15 ~~of said Act shall, to the extent applicable, be applicable to~~
16 ~~the notes authorized to be issued in this proviso and to all~~
17 ~~functions of the Administrator, the Secretary of the Treasury,~~
18 ~~and the Export-Import Bank of Washington in extending the~~
19 ~~assistance provided for herein: Provided further, That the~~
20 ~~Administrator is authorized to utilize any unexpended portion~~
21 ~~of the 5 per centum of each special local currency account~~
22 ~~established pursuant to section 115 (b) (6) of the Economic~~
23 ~~Cooperation Act of 1948 (allocated in title I, Public Law~~
24 ~~793, Eightieth Congress), as amended by section 9 (b) of~~
25 ~~Public Law 47, Eighty-first Congress, and an additional~~

1 *1 per centum of such funds as shall accrue in each of said*
2 *special local currency accounts after passage of this Act*
3 *in the furtherance of publicity by press, radio, or any other*
4 *means of the use of Economic Cooperation Administration*
5 *funds: Provided further, That none of the local currencies*
6 *required by section 115 (b) (6) of the Economic Coop-*
7 *eration Act of 1948, as amended, to be deposited in local*
8 *currency accounts as a result of assistance furnished, through*
9 *the use of funds appropriated by the foregoing provisions of*
10 *this title, shall be made available for expenditure by any*
11 *recipient country so long as such country (1) fails to comply*
12 *with any treaty with the United States, or (b) causes or*
13 *permits any area dependent upon it (as designated in the*
14 *Bilateral Agreements) to fail to comply with any such treaty:*
15 *Provided further, That the list of limited and prohibitive*
16 *industries scheduled for destruction in, or removal from,*
17 *Germany shall be reviewed and the Administrator of the*
18 *Economic Cooperation Administration shall seek to obtain*
19 *the retention in Germany of such plants on this list as would*
20 *best serve European recovery if left in Germany.*

21 ASSISTANCE TO GREECE AND TURKEY

22 For an additional amount for "Assistance to Greece
23 and Turkey", as authorized by the Act of May 22, 1947
24 (61 Stat. 103), as amended and supplemented, to be avail-
25 able immediately, ~~\$50,000,000~~ \$45,000,000, which, together

1 with the amounts heretofore appropriated under this head,
2 shall remain available until June 30, 1950; and the existing
3 limitation under this head in the Foreign Aid Appropria-
4 tion Act, 1949, on the amount available for administrative
5 expenses, shall continue in effect; and the existing limita-
6 tion under said head on the amount available for such
7 expenses in the District of Columbia is increased from
8 “\$400,000” to “\$425,000”: *Provided*, That said limitations
9 shall apply only to the administrative expenses of the
10 Department of State.

11 NATIONAL MILITARY ESTABLISHMENT

12 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

13 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

14 For expenses, not otherwise provided for, necessary to
15 meet the responsibilities and obligations of the United States
16 in connection with the government or occupation of certain
17 foreign areas, including personal services in the District of
18 Columbia and elsewhere and, subject to such authorizations
19 and limitations as may be prescribed by the head of the
20 department or agency concerned, tuition, personal allow-
21 ances (not to exceed \$10 per day), travel expenses (not
22 to exceed those authorized for like United States military
23 or civilian personnel), and fees incident to instruction in
24 the United States or elsewhere of such persons as may be
25 required to carry out the provisions of this appropriation;

1 travel expenses and transportation; services as authorized
2 by section 15 of the Act of August 2, 1946 (5 U. S. C.
3 55a), at rates not in excess of \$50 per diem for individuals;
4 health service program as authorized by law (5 U. S. C.
5 150); payment of claims pursuant to law (28 U. S. C.
6 2672); translation rights, photographic work, educational
7 exhibits, and dissemination of information, including preview
8 and review expenses incident thereto; expenses incident to
9 the operation of schools for American children; printing
10 and binding; purchase and hire of passenger motor vehicles
11 and aircraft; repair and maintenance of buildings, utilities,
12 facilities, and appurtenances; contingencies for the United
13 States commanders, commissioners, or other administrators
14 of foreign areas, to be expended in their respective discre-
15 tions (not exceeding amounts authorized or approved by
16 the head of the department or agency concerned); such
17 minimum supplies for the civilian populations of such areas
18 as may be essential to prevent starvation, disease, or unrest,
19 prejudicial to the objectives sought to be accomplished;
20 and such supplies, commodities, and equipment as may be
21 essential to carry out the purposes of this appropriation;
22 ~~\$925,000,000~~ \$900,000,000, of which (1) the amount re-
23 quired to finance the procurement of surplus agricultural
24 products (determined surplus by the Secretary of Agricul-
25 ture) of the kinds and in the quantities set out in the Depart-

1 *ment of the Army budget justification submitted to the Senate*
2 *shall be available only for such financing, and (2) not to*
3 *exceed ~~\$45,000,000~~ \$40,000,000 shall be available for ad-*
4 *ministrative expenses: Provided, That when members of the*
5 *armed forces are employed primarily for the purpose of this*
6 *appropriation, the mileage and other travel allowances to*
7 *which they may be entitled shall be paid therefrom: Provided*
8 *further, That the general provisions of the appropriation Act*
9 *for the fiscal year 1950 for the military functions of the De-*
10 *partment of the Army shall apply to expenditures made by*
11 *that Department from this appropriation: Provided further,*
12 *That expenditures from this appropriation may be made out-*
13 *side continental United States, when necessary to carry out*
14 *its purposes, without regard to sections 355, 1136, 3648, and*
15 *3734, Revised Statutes, as amended, civil service or classifi-*
16 *cation laws, or provisions of law prohibiting payment of*
17 *any person not a citizen of the United States: Provided*
18 *further, That expenditures from this appropriation may be*
19 *made, when necessary to carry out its purposes, without*
20 *regard to section 3709, Revised Statutes, as amended, and*
21 *the Armed Services Procurement Act of 1947 (Public*
22 *Law 413, Eightieth Congress): Provided further, That*
23 *expenditures may be made hereunder for the purposes of*
24 *economic rehabilitation in the occupied areas in such manner*
25 *as to be consistent with the general objectives of the Eco-*

1 nomic Cooperation Act of 1948, as amended: *Provided*
2 *further*, That funds appropriated hereunder and unexpended
3 at the time of the termination of occupation by the United
4 States, of any area for which such funds are made available,
5 may be expended by the President for the procurement of
6 such commodities and technical services, and commodities
7 procured from funds herein or heretofore appropriated for
8 government and relief in occupied areas and not delivered
9 to such an area prior to the time of the termination of
10 occupation, may be utilized by the President, as may be
11 necessary to assist in the maintenance of the political and
12 economic stability of such areas: *Provided further*, That
13 before any such assistance is made available, an agreement
14 shall be entered into between the United States and the
15 recognized government or authority with respect to such
16 area containing such undertakings by such government or
17 authority as the President may determine to be necessary
18 in order to assure the efficient use of such assistance in
19 furtherance of such purposes: *Provided further*, That such
20 agreement shall, when applicable, include requirements and
21 undertakings corresponding to the requirements and under-
22 takings specified in sections 5, 6, and 7 of the Foreign Aid
23 Act of 1947 (Public Law 389, approved December 17,
24 1947): *Provided further*, That service of an individual
25 rendered under this appropriation as an expert, consultant,

1 adviser, or technician shall not be considered as service or
2 employment bringing such individual within the provisions
3 of sections 281 or 283 of title 18, United States Code, of
4 section 190, Revised Statutes (5 U. S. C. 99), or of
5 section 19 (e) of the Contract Settlement Act of 1944, or
6 of any other Federal law imposing restrictions, requirements,
7 or penalties in relation to the employment of persons, the
8 performance of services, or the payment or receipt of com-
9 pensation in connection with any claim, proceeding, or
10 matter involving the United States: *Provided further*, That
11 funds appropriated hereunder may be used, insofar as prac-
12 ticable, and under such rules and regulations as may be
13 prescribed by the head of the department or agency con-
14 cerned, to pay ocean transportation charges from United
15 States ports, including territorial ports, to ports in Japan
16 and the Ryukyus for the movement of supplies donated to,
17 or purchased by, United States voluntary nonprofit relief
18 agencies registered with and recommended by the Advisory
19 Committee on Voluntary Foreign Aid or of relief packages
20 consigned to individuals residing in such countries: *Pro-*
21 *vided further*, That under the rules and regulations to be
22 prescribed, the head of the department or agency concerned
23 shall fix and pay a uniform rate per pound for the ocean
24 transportation of all relief packages of food or other general
25 classification of commodities shipped to Japan or the

1 Ryukyus regardless of methods of shipment and higher rates
2 charged by particular agencies of transportation, but this
3 proviso shall not apply to shipments made by individuals
4 to individuals: *Provided further, That the Joint Committee*
5 *on Foreign Economic Cooperation established pursuant to*
6 *provisions of section 124 (a) of the Economic Cooperation*
7 *Act of 1948, as amended, shall have the same duties, powers,*
8 *and responsibilities with respect to programs carried out by*
9 *appropriations for government and relief in occupied areas*
10 *as it has with respect to programs under said act: Provided*
11 *further, That the President may transfer to any other*
12 *department or agency any function or functions provided*
13 *for under this appropriation, and there shall be trans-*
14 *ferred to any such department or agency such unobli-*
15 *gated balances of this appropriation and, without reim-*
16 *bursement and without regard to the appropriation from*
17 *which procured, such property as the Director of the Bureau*
18 *of the Budget shall determine to relate primarily to any*
19 *function or functions so transferred; and any funds so trans-*
20 *ferred may be expended either under the authority contained*
21 *herein or under the authority governing the activities of*
22 *the department or agency concerned: Provided further,*
23 *That when the Department of the Army, under the author-*
24 *ity of the Act of March 3, 1911, as amended (10 U. S. C.*
25 *1253), furnishes subsistence supplies to personnel of civilian*

1 *agencies of the United States Government serving in Ger-*
2 *many, payment therefor by such personnel shall be made*
3 *without regard to the 10 per centum additional charge*
4 *required by said Act, but payment for subsistence supplies*
5 *by such personnel shall be at the same rate as is paid by*
6 *civilian personnel of the Département of the Army serving*
7 *in Germany.*

8 TITLE II—GENERAL PROVISIONS

9 SEC. 201. No part of any appropriation contained in
10 this Act shall be used to pay the salary or wages of any
11 person who engages in a strike against the Government of
12 the United States or who is a member of an organization
13 of Government employees that asserts the right to strike
14 against the Government of the United States, or who advo-
15 cates, or is a member of an organization that advocates, the
16 overthrow of the Government of the United States by force
17 or violence: *Provided*, That for the purposes hereof an
18 affidavit shall be considered prima facie evidence that the
19 person making the affidavit has not contrary to the pro-
20 visions of this section engaged in a strike against the Govern-
21 ment of the United States, is not a member of an organiza-
22 tion of Government employees that asserts the right to strike
23 against the Government of the United States, or that such
24 person does not advocate, and is not a member of an or-
25 ganization that advocates, the overthrow of the Government

1 of the United States by force or violence: *Provided further,*
2 That any person who engages in a strike against the Govern-
3 ment of the United States or who is a member of an
4 organization of Government employees that asserts the right
5 to strike against the Government of the United States, or
6 who advocates, or who is a member of an organization
7 that advocates, the overthrow of the Government of the
8 United States by force or violence and accepts employment
9 the salary or wages for which are paid from any appropria-
10 tion contained in this Act shall be guilty of a felony and,
11 upon conviction, shall be fined not more than \$1,000 or
12 imprisoned for not more than one year, or both: *Provided*
13 *further,* That the above penalty clause shall be in addition
14 to, and not in substitution for, any other provisions of existing
15 law.

16 *SEC. 202. During the fiscal year ending June 30,*
17 *1950, the Department of the Army is authorized to operate*
18 *the Morgantown Ordnance Works at Morgantown, West*
19 *Virginia, the Ohio River Ordnance Works at West*
20 *Henderson, Kentucky, and the San Jacinto Ordnance*
21 *Works at San Jacinto, Texas, for the production of*
22 *anhydrous ammonia for the manufacture of nitrogenous*
23 *fertilizer materials or nitrogenous compounds for its use*
24 *in the occupied countries and for sale for use in the*
25 *Republic of South Korea. From the proceeds of materials*

1 *sold there shall be credited to the appropriation for Gov-*
2 *ernment and Relief in Occupied Areas an amount equiva-*
3 *lent to the cost of production of such materials and any*
4 *balance to miscellaneous receipts of the Treasury: Provided,*
5 *however, That nothing in this section shall be construed to*
6 *repeal the provisions of section 205 of Public Law 793,*
7 *Eightieth Congress, with respect to the production and allo-*
8 *cation of nitrogenous fertilizer materials for domestic use.*

9 SEC. ~~202~~ 203. This Act may be cited as the "Foreign
10 Aid Appropriation Act, 1950".

Passed the House of Representatives May 26, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 656

81ST CONGRESS
1ST SESSION

H. R. 4830

[Report No. 655]

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on
Appropriations

JULY 12 (legislative day, JUNE 2), 1949

Reported with amendments

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

1 On page 3, line 12, after the word "which", insert the
2 following: "(1) the amount required to finance the procure-
3 ment of surplus agricultural products (determined surplus
4 by the Secretary of Agriculture) of the kinds and in the
5 quantities set out in the Economic Cooperation Administra-
6 tion budget justification submitted to the Senate shall be
7 available only for such financing, and (2)".

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JUNE 2), 1949.

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

- 1 On page 6, line 7, after the word "which", insert the
2 following: "(1) the amount required to finance the pro-
3 curement of surplus agricultural products (determined sur-
4 plus by the Secretary of Agriculture) of the kinds and in
5 the quantities set out in the Department of the Army budget
6 justification submitted to the Senate shall be available only
7 for such financing, and (2)".

81ST CONGRESS
1ST Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BRIDGES to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

1 On page 4, line 5, after the date "1950" and before
2 the period, insert: "*: Provided further*, That the Admin-
3 istrator is authorized to issue notes from time to time during
4 the fiscal year 1950 for purchase by the Secretary of the
5 Treasury in an amount not exceeding in the aggregate
6 \$150,000,000, for the purpose of allocating funds during
7 such fiscal year to the Export-Import Bank of Washington
8 for assistance on credit terms under the provisions of said
9 Act; and the provisions of paragraph (2) of section 111
10 (c) of said Act shall, to the extent applicable, be applicable

1 to the notes authorized to be issued in this proviso and to
 2 all functions of the Administrator, the Secretary of the
 3 Treasury, and the Export-Import Bank of Washington in
 4 extending the assistance provided for herein”.

81ST CONGRESS
 1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. Bridges to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

- 1 On page 3, line 19, after the word "*Provided*," insert:
- 2 "*That of this appropriation \$50,000,000 shall be used only*
- 3 *for assistance to Spain, to be extended upon credit terms as*
- 4 *provided in section 111 (c) (2) of the Economic Coopera-*
- 5 *tion Act of 1948, as amended: Provided further,*".

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz: On page 10, after line 24, insert:

1 SEC. 202. During the fiscal year ending June 30,
2 1950, the Department of the Army is authorized to operate
3 the Morgantown Ordnance Works at Morgantown, West
4 Virginia, the Ohio River Ordnance Works at West Hender-
5 son, Kentucky, and the San Jacinto Ordnance Works at
6 San Jacinto, Texas, for the production of anhydrous am-
7 monia for the manufacture of nitrogenous fertilizer materials
8 or nitrogenous compounds for its use in the occupied coun-
9 tries and for sale for use in the Republic of South Korea.

1 From the proceeds of materials sold there shall be credited
2 to the appropriation for Government and Relief in Occupied
3 Areas an amount equivalent to the cost of production of
4 such materials and any balance to miscellaneous receipts
5 of the Treasury: *Provided, however,* That nothing in this
6 section shall be construed to repeal the provisions of sec-
7 tion 205 of Public Law 793, Eightieth Congress, with re-
8 spect to the production and allocation of nitrogenous ferti-
9 lizer materials for domestic use.

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 12 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 14 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz: On page 14, after line 15, insert the following:

1 SEC. 202. During the fiscal year ending June 30, 1950,
2 the Department of the Army is authorized to operate the
3 Morgantown Ordnance Works at Morgantown, West Vir-
4 ginia, the Ohio River Ordnance Works at West Henderson,
5 Kentucky, and the San Jacinto Ordnance Works at San
6 Jacinto, Texas, for the production of anhydrous ammonia
7 for the manufacture of nitrogenous fertilizer materials or
8 nitrogenous compounds for its use in the occupied countries
9 and for sale for use in the Republic of South Korea. From
10 the proceeds of materials sold there shall be credited to the

1 appropriation for "Government and relief in occupied areas"
 2 an amount equivalent to the cost of production of such
 3 materials and any balance to miscellaneous receipts of the
 4 Treasury. Section 205 of Public Law 793, Eightieth Con-
 5 gress, and any other laws in conflict herewith, are repealed
 6 effective June 30, 1949.

81ST CONGRESS
 1ST Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 14 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 14 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

- 1 On page 15, line 4, after the word "Treasury" strike
- 2 out all down to and including the word "use" in line 8.
- 3 and insert in lieu thereof the following: "Section 205 of
- 4 Public Law 793, Eightieth Congress, and any other laws
- 5 in conflict herewith, are repealed effective June 30, 1949".

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 14 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 4830

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 18 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

On page , after line , insert:

1 ASSISTANCE TO CHINA

2 For an additional amount for "Assistance to China"
3 as authorized by the China Aid Act of 1948 (Public Law
4 472, approved April 3, 1948), \$100,000,000 (of which
5 not to exceed \$300,000 shall be available for administrative
6 expenses), to be expended in the same manner and under
7 the same terms as authorized by section 12 of Public Law
8 47, Eighty-first Congress, approved April 19, 1949.

81ST CONGRESS
1ST Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 18 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

Vol. 95

WASHINGTON, FRIDAY, JULY 22, 1949

No. 132

Senate

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. James H. Elder, pastor, First Methodist Church, Gallatin, Tenn., offered the following prayer:

Eternal God, our Father, Thou hast given to us the highest privilege of creation by making us the sons of God. Cause us to do the duty of sons that we may never lose our title to an inheritance so glorious.

Thou knowest, Father, how often in these days of confusion and chaos we tremble with fear. Yet Thou knowest that we tremble with fear only because we often drift too far from the side of the Good Shepherd. So draw us so close to Thyself that whatever happens to us personally, to the Nation, or to the world, we may move forward, fearing God and nothing else.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 21, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 21, 1949, the President had approved and signed the following acts:

S. 863. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; and

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, notified the Senate that Mr. BATES of Massachusetts had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill

(H. R. 5632) to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes, vice Mr. COLE of New York, excused.

The message announced that the House had passed a bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 298) to provide for on-the-spot audits by the General Accounting Office of the fiscal records of the office of the Sergeant at Arms of the House of Representatives, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hill	Morse
Anderson	Hoy	Mundt
Brewster	Holland	Murray
Bricker	Humphrey	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Connor
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Chavez	Johnston, S. C.	Robertson
Connally	Kefauver	Russell
Cordon	Kerr	Saltonstall
Donnell	Knowland	Schoeppel
Douglas	Langer	Smith, Maine
Downey	Lodge	Smith, N. J.
Dulles	Long	Sparkman
Eastland	Lucas	Stennis
Ecton	McCarran	Taft
Ferguson	McCarthy	Taylor
Flanders	McClellan	Thomas, Okla.
Frear	McFarland	Thomas, Utah
Fulbright	McKellar	Thye
George	McMahon	Tydings
Gillette	Magnuson	Vandenberg
Graham	Malone	Watkins
Green	Martin	Wherry
Gurney	Maybank	Wiley
Hayden	Miller	Williams
Hendrickson	Millikin	Withers
Hickenlooper		Young

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENBERGER] is absent by leave of the Senate on official business, having been appointed an ad-

viser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from West Virginia [Mr. KILGORE] is absent by leave of the Senate.

The Senator from Rhode Island [Mr. McGRATH] is absent on public business.

Mr. SALTONSTALL. Mr. President, I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are absent on official business.

The VICE PRESIDENT. A quorum is present.

FOREIGN AID APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

Mr. McKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, may I make inquiry of the distinguished chairman of the Appropriations Committee and of the majority leader? If we proceed with the consideration of the foreign aid appropriation bill is it their intention that the Senate vote on committee amendments today, if we should come to the point where the Senate is ready to vote?

Mr. McKELLAR. I understand there will be objection to voting on some of the committee amendments today.

Mr. WHERRY. May I inquire of the distinguished majority leader if it is the intention to proceed with the consideration of the foreign aid appropriation bill now? In view of the fact that there are so many controversial amendments to the bill, there might possibly be an inclination to take up the independent offices appropriation bill rather than proceed with the foreign aid appropriation bill. I am not suggesting that the Senate do so. I wish to say that in the

event the Senate comes to the point where it is ready to vote on the committee amendments, it is all right with me to do so. There will be plenty of speeches to be made on the ECA bill generally, I suppose. I ask the distinguished majority leader if he does not agree with me that because of the controversial nature of some of the amendments they should not be voted on until Monday?

Mr. LUCAS. Mr. President, I understand a number of addresses are to be made on the foreign-aid appropriation bill. The distinguished Senator from Virginia [Mr. ROBERTSON] is now prepared to address the Senate. It is my understanding that the distinguished Senator from Oregon [Mr. MORSE] will probably spend some time discussing the Hawaiian situation. I may be wrong about that, but it is my understanding. Insofar as the Senator from Illinois is concerned, I am not anxious to have the Senate vote on the amendments unless we reach the point where Senators have concluded the speeches they wish to make and are ready to vote on the amendments.

In view of the fact that Senators are asking for Saturday sessions and asking for night sessions, I do not see how I could tell the Senate that we would not vote on any amendment, if we run out of other work in connection with the bill.

I do not agree that there is not going to be some debate on the independent offices appropriation bill. I do not believe it is advisable to set aside the pending bill and take up the independent offices appropriation bill, in view of the agreement entered into yesterday. That is my present feeling about the matter. I am sure the pending bill will be debated all day long, I will say to the Senator from Tennessee, and I hope we can at least get the general debate out of the way today so as to be in position to consider the amendments on Monday. I doubt very much whether we will arrive at the point in the debate today when we can take decisive action on any particular amendment. At the same time I would not want to say that we could not do so, because if addresses on the bill generally are concluded, debate might be had on the amendments to the point where we can vote. There will be some controversy respecting the first committee amendment. I understand it provides for an appropriation of \$344,000 for the so-called watchdog committee of the ECA.

Mr. McKELLAR. That is correct.

Mr. LUCAS. No doubt there will be some debate on that amendment.

Mr. McKELLAR. Under the circumstances stated by the Senator from Illinois, I would have no objection at all to taking up the independent offices appropriation bill, because I do not think there will be much controversy respecting it.

Mr. LUCAS. May I ask who is the chairman of the subcommittee handling the independent offices appropriation bill? Is the Senator from Wyoming [Mr. O'MAHONEY] in charge of that bill?

Mr. McKELLAR. He is.

Mr. LUCAS. I spoke to him yesterday, and he advised me that he thought there would be a good deal of controversy over it, particularly because of the appropri-

tion for the Atomic Energy Commission. That was the report he gave me yesterday.

Mr. ROBERTSON. Mr. President, I am seeking recognition to speak on the pending measure.

The VICE PRESIDENT. The Chair will wait until the preliminaries are over.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and resolutions and incorporate matters in the RECORD, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF TORT CLAIMS PAID BY DEPARTMENT OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report of tort claims paid by that Department under the provisions of the Federal Tort Claims Act, for the period July 1, 1949, to June 30, 1949 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF TORT CLAIMS PAID BY CENTRAL INTELLIGENCE AGENCY

A letter from the Director of the Central Intelligence Agency, Washington, D. C., reporting, pursuant to law, on tort claims paid by that Agency under the provisions of the Federal Tort Claims Act, during the fiscal year 1949; to the Committee on the Judiciary.

RESEARCH LABORATORY BUILDING FOR NATIONAL BUREAU OF STANDARDS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the construction and equipment of a research laboratory building for the National Bureau of Standards, Department of Commerce (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON SUNDAY OF ACCOUNTING SYSTEM AND INTERNAL CONTROL SYSTEM OF NATIONAL CAPITAL HOUSING AUTHORITY

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on survey of the accounting system and the system of internal control of the National Capital Housing Authority, for the fiscal years ended June 30, 1947 and 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON CONTRACTS NEGOTIATED FOR EXPERIMENTAL, DEPARTMENTAL, OR RESEARCH WORK BY COAST GUARD

A letter from the Commandant of the United States Coast Guard, transmitting, pursuant to law, a report on contracts negotiated for experimental, developmental, or research work, for the period January 1, 1949, to June 30, 1949 (with an accompanying report); to the Committee on Armed Services.

PETITIONS

Petitions were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Orlando Townsend Club No. 2, of Orlando, Fla., favoring the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Thirty-fifth Division Reunion Corp., of St. Louis, Mo., favoring inclusion of an amphitheater in the present concept of the Jefferson Expansion

Memorial; to the Committee on Interior and Insular Affairs.

WORLD TRADE FAIR IN DETROIT—CONCURRENT RESOLUTION OF MICHIGAN LEGISLATURE

Mr. FERGUSON. Mr. President, I present for appropriate reference and printing in the RECORD, House Concurrent Resolution No. 63 of the Legislature of the State of Michigan, urging the President of the United States to place all needed facilities of the Federal Government at the service of an annual world trade fair in Detroit and requesting the Congress to take the necessary appropriate action to assist in the conduct of a world-trade fair in Detroit.

The concurrent resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, printed in the RECORD, as follows:

House Concurrent Resolution 63

Concurrent resolution urging the President of the United States to place all needed facilities of the Federal Government at the service of an annual world trade fair in Detroit and requesting the Congress to take the necessary appropriate action to assist in the conduct of a world trade fair in Detroit

Whereas the business leadership of Detroit has advanced plans for staging in 1950 the first world trade fair ever held in the United States and for maintaining it as an annual event of great importance to the trade of the world; and

Whereas Michigan is a major producer of many articles widely distributed in world trade, such as machine tools, automotive equipment, paints, pharmaceuticals, and other familiar commodities vital to the well-being of the world, and Detroit is the world's largest producer in dollar volume of industrial products going into world trade; and

Whereas an international trade fair in this country, modeled after the trade fairs that have been traditional in Europe for generations, could be expected to accelerate commerce between the United States and other countries and thus contribute materially to the prosperity and friendship of nations; and

Whereas the first world trade fair ever held on this continent, the Canadian International Trade Fair at Toronto, was a great success, bringing together 30,000 buyers and sellers from all parts of the world in May 1948, and has now become an annual event sponsored completely by the federal government of Canada; and

Whereas the management of the Canadian International Trade Fair enthusiastically supports the proposal for a similar event in the United States, knowing that buyers and sellers would more eagerly travel vast distances to participate in two great trade fairs on this continent than one; and

Whereas exhibitors and buyers at leading European trade fairs, in a survey just completed, have expressed eagerness to participate in a trade fair in the United States and have expressed favor for Detroit as its location; and

Whereas an official mission representing all the Marshall plan countries, which has just completed a tour of proposed sites for an international trade fair in the United States, was greatly impressed by the civic spirit of Detroit and Michigan and by the facilities for and possibilities of an international trade fair in Detroit; and

Whereas the Michigan State Fair grounds provide an ideal center for an international trade fair; and

Whereas the people of Michigan stand solidly together in sound efforts to develop the economy of their State and Nation and the world, and stand squarely behind the

tional Military Establishment but it also makes applicable to the National Military Establishment many of the Commission's broad budgeting and accounting recommendations."

The Secretary, in commenting on the Reorganization Act. (Public Law 109), states that this law "does not grant the President the full reorganization power recommended by the Commission, and the National Military Establishment supported the President's request for the necessary authority to reorganize the executive branch which he based, in part, on the Commission's recommendation."

The chairman of the committee pointed out that the bill enacted by the Congress was, except for the provision relating to disapproval on reorganization plans by constitutional vote of one House rather than by concurrent resolution of both Houses, exactly as submitted by the President, and was supported by Mr. Hoover in the form adopted by the Congress.

Also Mr. Johnson states that the bill S. 942, introduced as drafted and submitted to the committee by a draftsman for the Hoover Commission, "is violative of at least the spirit of the first report of the Hoover Commission in that it would provide statutory inflexibility in the Executive Office of the President whereas the Commission consistently contended that the President should be allowed to organize his immediate office in his own way."

In commenting on the Federal Property and Administrative Services Act (P. L. 152), the Secretary of Defense states that:

"This act goes beyond the recommendations of the Commission in that it is not as clear-cut in delineation of military and civilian supply activities as are the recommendations of the Commission. Rather than policy coordination, the bill provides central control in an administrator with power of exemption in the Secretary of Defense 'in the best interest of national security.' In substantive and procedural aspects, the bill leaves areas of doubt which must be resolved in favor of complete control by the Secretary of Defense in areas of logistic support of military operations and maintenance of those types of procurement which are essential to mobilization planning."

This comment is typical of the military, whenever it is unable to dominate legislative actions of Congress. When the bill creating the General Services Administration was before the Senate committee, the National Military Establishment was afforded every opportunity to present its views, and adequate provisions have been included in the act to insure that any procurements which are peculiar to the needs of the National Military Establishment may be purchased by that agency. On the other hand, the committee was of the opinion that items in common usage by all establishments, including the military, should be purchased through a central agency. The act as approved by the President, included practically all of the recommendations of the Hoover Commission in its report on the Office of General Services, had the approval of Mr. Hoover personally and of the Citizens Committee on Reorganization of the Executive Branch of the Government, and all affected agencies participated in the drafting of the language incorporated in the bill, including the Bureau of the Budget and the General Accounting Office.

This same issue was injected into the hearings before the Senate Committee on Expenditures on April 2, 1948, by Mark E. Andrews, Assistant Secretary of the Navy, who testified that in his opinion the bill failed to comply with the request made by the President that the procurement and supply activities of the National Military Establishment be excepted from the Federal Property Act. On April 5,

following Mr. Andrews' appearance before the committee, the Director of the Bureau of the Budget wrote the chairman as follows:

"I am authorized to inform you that the question of exception of the armed services was given particular attention by the President and rejected by him. The amendment suggested by the Assistant Secretary of the Navy on April 2 is not in accord with the President's program."

This matter was also considered in connection with the hearings on the Federal Property and Administrative Services Act and the act in its present language was approved by the Bureau of the Budget on behalf of the President.

The final comment made by Secretary Johnson relates to the recommendations concerning personnel and medical services, which he states are "presently under consideration by the Personnel Policy Board and the Armed Services Medical Advisory Committee, both of which have been set up in the Office of the Secretary of Defense under civilian chairmanship to provide me with the necessary staff assistance in these very important fields. I have also recently appointed a Director of Medical Services for the National Military Establishment who is to establish general policies and standards for the medical services of the three military departments and to exercise general direction and control over such services."

The letter from the Secretary of Defense follows:

THE SECRETARY OF DEFENSE,
Washington, July 19, 1949.

HON. JOHN L. McCLELLAN,
Chairman, Committee on Expenditures
in the Executive Departments, United
States Senate.

MY DEAR MR. CHAIRMAN: This is in further-reply to your letter of May 21, 1949, concerning the recommendations of the Commission on Organization of the Executive Branch of the Government.

As you say, the primary concern of your committee is in the across-the-board recommendations of the Commission, and for this reason my reply is restricted to such of these over-all matters as concern the National Military Establishment.

Legislation involving three of the broad areas considered by the Commission were referred to your committee and I presume that the requested legislative analyses are unnecessary in these instances. S. 526, which, as amended, was enacted as Public Law 109, does not grant the President the full reorganization power recommended by the Commission and the National Military Establishment supported the President's request for the necessary authority to reorganize the Executive Branch which he based, in part, on the Commission's recommendation. Another bill, S. 942, concerns the establishment of general principles governing the management of the Executive Branch of the Government. I am sure when your committee considers this measure it will note that it is violative of at least the spirit of the first report of the Hoover Commission in that it would provide statutory inflexibility in the Executive Office of the President whereas the Commission consistently contended that the President should be allowed to organize his immediate office in his own way. The third bill which has been before your committee is S. 1809, the Federal Property and Administrative Services Act, enacted as Public Law 152. This act goes beyond the recommendations of the Commission in that it is not as clear-cut in delineation of military and civilian supply activities as are the recommendations of the Commission. Rather than policy coordination, the bill provides central control in an Administrator with power of exemption in the Secretary of Defense "in the best interest of national security." In substantive and pro-

cedural aspects, the bill leaves areas of doubt which must be resolved in favor of complete control by the Secretary of Defense in areas of logistic support of military operations and maintenance of those types of procurement which are essential to mobilization planning.

Other legislation, not directly before your committee, but pertaining to the Commission's recommendations are Public Law 36, creating the position of Under Secretary of Defense; and S. 1843, containing the amendments to the National Security Act. S. 1843 was considered in great detail by the Senate Armed Services Committee and a copy of its report, No. 366, is attached. You will note that it not only reflects the recommendations of the Commission concerning the National Military Establishment but it also makes applicable to the National Military Establishment many of the Commission's broad budgeting and accounting recommendations. S. 1843 passed the Senate on May 26, 1949.

The Commission's recommendations concerning personnel and medical services are presently under consideration by the Personnel Policy Board and the Armed Services Medical Advisory Committee, both of which have been set up in the Office of the Secretary of Defense under civilian chairmanship to provide me with the necessary staff assistance in these very important fields. I have also recently appointed a Director of Medical Services for the National Military Establishment who is to establish general policies and standards for the medical services of the three military departments and to exercise general direction and control over such services.

At the request of the Bureau of the Budget the above reply was submitted to it for clearance on June 16, 1949. Not until July 8 was this office informed by the Bureau of the Budget that there would be no objection to presenting this reply to your committee.

I assume that this letter will also serve as a response to your inquiry of July 12, as to the reason for the delay in replying to your letter of May 21, 1949.

With kindest personal regards, I am,
Sincerely yours,

LOUIS JOHNSON.

THE SMALL-BUSINESS MAN

Mr. WILEY. Mr. President, I send to the desk a statement on the subject of Wisconsin's and the Nation's small-business man which I ask to have printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CROCODILE TEARS OR REAL HELP FOR THE SMALL-BUSINESS MAN?

Everybody seems to be shedding crocodile tears for the small-business man these days. "Oh, the little guy, he's always getting it in the neck. He's always behind the eight-ball." Yes, everybody seems to be moaning about his plight, but no one seems to be giving him any real aid.

The small-business man, however, in Wisconsin neither wants crocodile tears in his behalf nor a lot of empty cheers praising him. He doesn't want phony pats on the back or lame tributes that don't mean anything. He does need tax relief and other assistance, dynamic help that will enable him to meet the problems of the postwar recession.

THE LITTLE FELLOW'S THREE FOES

Right now, the little-business man—the little merchant, the small manufacturer, the small distributor—wholesaler-retailer—is squeezed by three big enemies—big government, big labor, big business. The little-business man finds that he is butting his head against monopoly in these three fields—government, labor, and business.

SMALL BUSINESS IS CORE OF ECONOMY

Let's analyze his problems and see what can be done for him.

We all know and take it for granted that small business is the core of our national economy. In fact, it represents over 90 percent of all the \$3,500,000 business establishments in the country. It provides approximately 45 percent of all the jobs in the Nation aside from agriculture.

Let me point out too, that before the war, less than 4 percent of the Nation's businesses were large enough to have more than 20 or so employees. Only 5 percent furnished employment to 8 to 20 persons.

BIG GOVERNMENT SITS ON SMALL-BUSINESS MAN

Now when I say that the little-business man is squeezed by big government, what do I mean? Well, it is obvious that the small-business man at the grassroots has to make out too many forms, too many questionnaires, too many records. He is plagued by an increasing amount of government regulations and red tape.

The Wage-Hour Administration is constantly seeking to get more and more of its tentacles around him. The Treasury Department is always ready to swat him down with a brusque order on his tax returns. An army of Government bureaucrats is always trying to order him, direct him, instruct him in ways that bureaucrats feel will be helpful to him whether he likes it or not. It is the little-business man who pays the charges for all of this 2,250,000-man Government payroll. It's the little guy who bears the brunt of our \$44,000,000,000 budget.

When it comes to official parleys about his problems, the small-business man finds that often he is not even represented. When it comes to competing for defense contracts and foreign exports, he finds that he is often frozen out of the picture.

MEETING LABOR PROBLEM

In the field of his labor problems too, the small-business man finds himself dealing with bigness—with gigantic, Nation-wide labor unions. He finds that the wage-hour policy set by big business must serve as the basis for the little fellow's labor relations whether he likes it or not and whether he can afford it or not. He finds, too, that even the Taft-Hartley Law, which gives him some protection as well as protecting the public, is the objective of intense attack on the part of big labor.

He learns moreover, that the labor bigsters are preparing to purge the Senators and Congressman in the 1950 elections who dared to support the Taft-Hartley Law.

SUPPORTING FRIENDS IN 1950

Well, I think that when November 1950 comes around—the little fellow—and his wife—and his children—is going to make himself heard at the polls. He is not going to allow a few racketeering labor big-shots to take over this Government. He is not going to stand for a purge of his friends in Congress—the men who have the guts to stand up for the Taft-Hartley law and other sound legislation.

PROBLEM OF MONOPOLY

In dealing with his own fellow businessmen, the little fellow often bumps up to the problem of monopoly—monopoly in distribution, monopoly in raw materials, monopolistic pricing practices. While monopolistic conditions are not as bad as the Reds make them out to be, neither are they so good that we can afford to be lax in our antitrust activities.

No wonder then, there is such headache and heartache for the little fellow trying to keep his head above water. No wonder, then, he has got to take a lot of aspirins. His inventory is mounting these days, his labor costs are shooting up, his expenses are soar-

ing, and yet cutthroat-price competition is around the corner.

SOME THINGS THAT MUST BE DONE

The situation isn't all black of course. Big business is increasingly recognizing that it cannot possibly exist without small business; that it needs small business for subcontracting work and for maintaining an economic check and balance.

One of the main things that can be done is to reconstitute the Senate Small Business Committee which did yeoman work in meeting the problems of the little fellow.

Years ago, I personally introduced legislation to establish an Assistant Secretary of Commerce for Small Business. I feel today as I did then, that all Government departments or agencies which affect small-business men ought to have representative councils consisting of men who have, actually been small-business men to advise before policies are established.

TAX REFORM NECESSARY

Antitrust actions must be vigorously pursued. Fairness must be shown in interpretation of tax statutes. As a matter of fact, the entire obsolete tax structure must be overhauled. The little fellow should be encouraged, helped to buy new equipment, new installations—so as to make jobs and to make his operations more efficient. Nuisance excise taxes which plague the small-business man—on luggage and other leather goods, on electric appliances, jewelry, refrigerators, furs, sporting goods, air conditioners, automotive parts and accessories and countless other items must be eliminated as I have recommended in legislation introduced in the Congress.

Moreover, it is up to the small-business man himself, individually and through his organizations, to advise the Congress on specific ways and means by which it wants help. A constant effort must be made to curb the activities of monopoly in whatever form it may exist—whether it be in big government big labor, or big business.

CONCLUSION

Out of the initiative, the energy, the back-breaking labor of little businessmen have come many of the blessings that account for our high standard of living. We dare not tax the little fellow to death or regulate him to exhaustion.

He deserves a fair break—not crocodile tears or phony cheers.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

Mr. ROBERTSON. Mr. President, in an address delivered at Natural Bridge in my home county of Rockbridge on April 20, 1947, I made these statements:

In two global wars we have fought to preserve the principles of our founding fathers and yet the world peace for which we sacrificed blood and treasure eludes our grasp. Instead of a world made safe for democracy we find the totalitarian and anti-God ideologies of communism feeding on

the measureless misery of war-torn countries of Europe. Many of our own people have so lost faith in the fact that God governs in the affairs of men that they think another conflict is inevitable. * * *

We are proceeding, I believe, on the assumption that the Lenin philosophy of world revolution has been altered to contemplate world domination, either directly or by means of controlling Communist-dominated states. We assume that the Soviet Union wants to take advantage of confusion and chaos in Europe to extend its influence wherever possible. We fear that the complete domination of Europe and large segments of Asia by Communist-controlled governments would constitute as great a threat to democracy as a similar control under the leadership of Adolf Hitler. * * *

While the immediate areas of conflict between us and the Soviet Union are in Germany and Austria, they will ultimately concern eastern Europe, now dominated by Russia; the Near East, where there are vital oil supplies, and the Far East, now torn by civil war. They also involve, of course, our proposal, to which Russia refuses to agree, for international control of atomic power. * * *

We have done everything humanly possible to convince the Russian leaders that our supreme desire is for peace and, by refusing to demand territory or economic advantages and by pouring out our treasure to feed the starving, clothe the naked, and rehabilitate war-torn countries, we have attempted to demonstrate to Russia and the world that we are actuated by the highest ethical principles. * * *

Then after discussing our futile efforts to get the Russian leaders to abide by the agreements made at Yalta and Potsdam and to carry out the clear intent and purpose of the Charter of United Nations, I said:

If, in spite of our best efforts, Russia refuses to live with us in one world, our next best hope for peace will be through a firm alliance with the Christian people to be found in the Western Hemisphere, in continental Europe, Great Britain, and her dominions. That will be a last resort if Russia violates the covenants and wrecks the program of United Nations. .

On June 5, within 2 months after I made that speech, Secretary of State Marshall said at Harvard:

It is already evident that, before the United States Government can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. * * * The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all European nations.

That proposal was eagerly seized upon by the Prime Ministers of Great Britain and France, who promptly gave to the press of the world their interpretation of what General Marshall had proposed. Thus was born the now famous Marshall plan, which 15 months ago by an overwhelming vote was passed by the Congress of the United States under the title "The Economic Cooperation Act of 1948."

Recognizing the danger to freedom everywhere in the world arising from the

desperate sickness of western Europe, we, in cooperation with western Europe, implemented that plan to cure that sickness. Democrats and Republicans joined hands in a postwar demonstration of American unity that did more than any other single thing to stem the tidal wave of communism. The wise and farseeing action of the Congress last year demonstrated both America's magnanimity and its capacity to recognize its own true self-interest. At the same time it gave a desperately needed boost to the waning morale of our wartime allies.

This great act of faith on the part of the American people and their Congress has been already amply justified by the success of the European recovery program. Substantial recovery progress has been made in Europe during the past year. Mr. Hoffman has testified to the Appropriations Committee that the total output of factories and mines in the participating countries during the calendar year was 14 percent above that of 1947. Gross investment is running at the extremely high rate of approximately 20 percent of the gross national product. Over-all exports in 1948 were 20 percent above 1947. Moreover, in the important field of finance and price stabilization the participating countries have made real progress, and have taken important steps to help each other back to recovery.

One simple fact perhaps gives more eloquent testimony to the success of the European recovery program than all the statistics that can be marshaled, namely, many of the people who opposed the program last year on the ground that it involved "pouring money down a rathole" are now saying that production has been built up to such a point that the program is no longer needed.

I submit that the one thing we cannot afford to do is to fail to maintain the present momentum of recovery in western Europe. As Mr. Hoffman has so eloquently testified, every businessman knows that once the momentum of a sizable operation is lost, it can be regained only at an excessive cost. If we mean business and intend to carry this program through, we cannot afford to lose this momentum. There is still a stiff climb ahead. This is an extremely critical year, the year in which European countries will have to face the issue of whether they will extend their cooperation and achieve a real pooling of their resources, or whether each will attempt on his own to save his own skin. We already have an example of such desperate acts of self-preservation in the barter agreements Great Britain has made with Argentina and Russia. Our continuing aid on an adequate scale is a necessary condition to their decision in favor of the policies that are essential to their growth toward a unified Europe.

We are fortunate in having as Administrator of the foreign-aid program a broad-gage businessman. Political partisanship played no part in the selection of Mr. Hoffman and it has played no part in his administration of the ECA. Everywhere, on both sides of this Chamber, and out the outside, we hear praise of the outstanding manner in which the program has been administered in the past.

Let me suggest to my distinguished colleagues that having selected an outstanding businessman to do a businessman's job, which admittedly he is doing well, we should continue to give him the tools that he feels are necessary to be provided if we are to carry forward the job to a successful conclusion. Mr. Hoffman occupies a position of high trust, and can be relied upon to carry out the task with as little outlay of taxpayer's dollars as possible.

The argument has been advanced that further declines in prices will make it possible to carry out the program for substantially less than the amount contained in the bill as passed by the House. Let us examine this argument. In the first place, the action of the House already has not only taken into account the effect of all price declines to date but has also anticipated further price declines. The original ECA estimate of needs for the fiscal year 1950 were adjusted downward to take account of the net effect of price declines up to May 15. In addition, the House committee made a further reduction of \$80,000,000, based on its forecast of further price declines. The net effect of changes in prices since May 15 on the cost of the program has been of minor consequence.

As I said in my Natural Bridge speech, no one can lift the veil of the future. No one can foresee what economic ups and downs lie ahead of us. I will say, however, that if the Senate makes cuts on account of further anticipated price declines, beyond those taken into account in the bill as passed by the House, we shall be saying by our action that we are confidently predicting a depression in this country of a severity such as has been witnessed only five times in the last 100 years.

The second point to bear in mind in examining the argument that price declines warrant a substantial additional cut is that price changes work two ways in their effect on the cost of such a program as this. We must recognize, too, that price declines are not uniform. Last year, the prices of farm products which we export to Europe declined most rapidly, but so far this year the prices of textiles and other manufactured goods which we might import have led the decline. So, a further change in price levels might easily result in reducing the value of Europe's exports in a proportion greater than it would reduce the value of her imports, and so actually would increase her need for aid. All of us know why it was necessary for the United States to extend dollar aid in the first place. It was because the countries of western Europe required goods which could be purchased only in the United States and the Western Hemisphere, and only with dollars, and that those countries were unable to obtain enough dollars to pay for those goods out of their own earnings. When prices go down, it is true that American goods can be bought for less, but unfortunately it is also true that the western European countries get less for the goods they sell. Furthermore, in a period of price declines, sales fall off. This is a natural development, and one which does not need to cause

alarm, but which unavoidably brings on a shrinking in earnings. All of us know what has happened in the case of Great Britain. A fall in export sales to the Western Hemisphere has resulted in a serious drain on Britain's reserves. Of course, because the volume of exports from the United States to Europe far exceeds the volume of their exports to the United States, price declines do produce a net saving in the cost of the program. But the real question we must ask ourselves now is whether in the action of the House of Representatives these savings may not already have been overestimated.

No one is more acutely aware than I of the present urgent need to reduce Federal spending, and no one is more desirous of seeing our budget balanced without the necessity for the imposition of additional taxes. But if the Congress was right in authorizing by an overwhelming majority a continuation of the ECA program as a major contribution to the cause of peace, it would be highly inconsistent for the Congress now to vote for an appropriation which would be inadequate to do the required job. In case any taxpayer may be under the impression that the Congress is appropriating vast funds for a program of international cooperation without an adequate understanding of what is involved, attention is invited to the fact that before the Congress voted to authorize a continuation of ECA, the Senate Foreign Relations Committee took 584 pages of printed testimony and the House Foreign Affairs Committee 865 pages. Before the House Appropriations Committee voted to report an appropriation bill it took 1,072 pages of printed testimony, and before the Senate Appropriations Committee acted, it took 997 pages of printed testimony.

If, on the basis of 3,518 pages of testimony, in which every phase of the program was fully explored and every need minutely explained, we do not understand what is involved, we should ask the Father of Light to illuminate our understanding.

In the authorization bill the Congress authorized to be appropriated for fiscal 1950 the sum of \$4,280,000,000. After the most careful and competent analysis, and taking into account present and prospective price declines, as I have indicated, the Budget Bureau submitted to the Congress an estimate of \$4,198,200,000. Then, when he appeared before the House Committee, Administrator Hoffman, who is as firm a believer in efficiency and economy as any member of this body, indicated a belief that he could do the required job for \$4,015,900,000. The bill as passed by the House carried an appropriation of \$3,568,700,000, or 15 percent less than the budget estimate. However, the House gave needed leeway to the Administrator by providing that, if he finds it necessary in order to keep up the recovery momentum in Europe, he now spend that appropriated amount in 10½ months rather than in the usual 12 months, and may come back, if necessary, for a supplemental appropriation. The Senate Appropriations Committee has reported

to the Senate a bill carrying the sum of \$3,628,380,000 for the fiscal year in question, plus a loan authorization of \$150,000,000.

In testifying before the Senate committee, Mr. Hoffman said:

Two points I have repeatedly emphasized are, first: that our objective would be to make the sum of \$3,568,000,000 last for 12 months if possible, or, if not, for as long a time as possible, but second: that on the basis of the best estimates we can make at this time, estimates which reflect a considered and conservative judgment, I believe now that we will have to spend this sum in less than 12 months.

In these circumstances, we expect that the OEEC will recommend to us a recovery program for 1949-50 which will require more than \$3,568,000,000 of American aid. When we receive it, we do not intend to approve it formally. Instead, we plan to inform the Europeans that their program may be used by them for planning purposes in the early months of the year. But we will also tell them that we propose to keep the program under constant review, and that cuts will be made throughout the year wherever they can be made without jeopardizing the success of the ERP in order to bring the total of American aid down to \$3,568,000,000 if possible.

For the purpose of having the record perfectly clear, however, I wish to repeat once more our present estimate that the amount recommended by the Subcommittee of the House Appropriations Committee, namely, \$4,015,000,000, is the minimum required to maintain recovery without loss of momentum.

As my friend, Gen. Charles E. Kilbourne, of Lexington, recently remarked to me, "I do not hear everything that is said; I do not understand all that I hear; and I do not remember all that I understand." But, Mr. President, I heard enough, understood enough, and remember enough of the testimony of Mr. Hoffman and his aides concerning the amount needed for the proper continuation of his demonstrated program to be convinced in my own mind that we cannot safely cut that fund below \$3,852,000,000 for the 12 months, which is 10 percent less than the authorization. Of course, in a program of nearly \$4,000,000,000, no one could categorically say that a difference of \$150,000,000 or \$200,000,000 would be the exact difference between success and failure.

As I have studied the question of the appropriation for European recovery, and as I have observed the march of events in the world, I have been forced to the conclusion that it would be a risk, a serious risk, to our peace and security, if a further cut than that were made in the appropriation for the ERP. I submit that we cannot afford to take any risks in this vital sector. Freedom is too precious to bear a price tag. To run the risk of losing it for what might prove to be false economy would be out of keeping with the best traditions of the Commonwealth of Virginia and of the United States of America. Europe's economic recovery is essential to our security, as is recognized in the Atlantic Pact, which we, by an overwhelming majority, ratified on yesterday. We are not engaged in philanthropy through the ERP or indulging in a vague do-goodism. We are building the security and protecting the freedom of our country. And to adopt a

pinch-penny attitude toward this appropriation is to jeopardize our security and our freedom.

We are living in the midst of a peace that is only an absence of war. Since the defeat of the Germans and the Japanese in 1945, the Soviet Union has continued to expand. In Europe alone, Poland, Rumania, Bulgaria, Hungary, Czechoslovakia, Albania, and half of Germany have disappeared behind the Iron Curtain, joining the Soviet Union's earlier victims, Lithuania, Latvia, and Estonia. In the Far East most of China and half of Korea are already in the hands of the Communists, and several areas in Southeast Asia are imminently threatened. In Japan, more than a 150,000 Communist, many indoctrinated while prisoners in the Soviet Union, carry on their ceaseless agitation.

This is the cold war, Senators, and it is not yet won. Had it not been for British and American assistance, Greece would today be a Soviet satellite. Had it not been for United Nations intervention, Iran might well be a Soviet puppet. Had it not been for the Marshall plan, most of Western Europe might well be under Soviet domination today. But there was a Marshall plan, and Europe still is free, and Europe is daily growing in economic strength and unity. But it still has a long way to go before it can stand completely on its own. We cannot afford to take any risks whatsoever that Europe may not be able to carry on, prosperous and free.

The Soviet Union has a land army of 4,000,000 men with which it could overrun Europe in a shooting war if it chose to do so. But the Soviet Union knows that if it tried that it would be taking a terrific risk. The Soviet Union has neither the air superiority, nor the atomic weapons, nor the industrial plant to take on at this time the free world in a shooting war. The odds, therefore, appear to be against the Soviet Union's starting a shooting war.

But the risk that the Soviet Union will continue to try to expand by infiltration remains. We have seen this tactic work too often not to know that it can succeed in countries where economic conditions are so bad that people live without hope.

The European Recovery Program is designed to make Europe's economy work so efficiently and provide such a satisfactory standard of living that the Communist tactic of infiltration cannot succeed.

Peace and freedom are not prizes that can be won in one encounter like a football game. They must be fought for and maintained from day to day, from month to month, from year to year. They can be maintained only if we create the conditions of contentment and economic well-being in which they can survive.

Let us not therefore indulge in any false economies. When we examine the United States budget today we find that considerably more than half is for defense and foreign-aid expenditures. Here is the main area where cutting must be done, if the tremendous costs of government are to be substantially reduced and the burdens on our economy lightened.

We can cut the cost of national defense by making the European recovery program a success. During the last 15 months the ERP has stopped Soviet expansion in Europe cold. It can keep it stopped in Europe next year and perhaps indefinitely if we carry on our program long enough to make Europe self-supporting, and are successful in breaking down the barriers to world trade as proposed in 1934 by Cordell Hull, one of the truly great statesmen of our day and generation. To curtail this program to a point where it may fail and where it may be impossible to follow through to success would be false economy. We must stay with this program until it succeeds in removing the threat of war in Europe, until this uneasy peace is supplanted by a real peace. Only then will it be possible for us to bring down our heavy expenditures for national defense. Only then will it be possible to bring Government expenditures down to the level where they should be.

When we finally weigh the efforts of ECA, the question of what contribution it makes to enduring peace is all-important. Will Rogers once said the United States never lost a war and never won a peace. We must win this peace. We have had four wars in the lifetime of my mother, who was 91 years old last April. She told me recently that those are enough wars for one lifetime. In winning World War II we spent, and did not hesitate in spending, at the rate of from eight to twelve billion dollars a month, and before we won it we had spent \$340,000,000,000.

Peace is worth more than war. Winning the peace is worth more than winning a war. If what we are now investing in ERP in this program to win the peace is reasonably calculated to achieve that end, not only can we afford the investment, but we cannot afford not to make it. What prudent man, faced with the necessity of retrenchment, would cancel the fire insurance on his home as his first economy move? Our present insurance against the flaming sword is an adequate military establishment and the rehabilitation of democratic allies in Europe. I have said and now repeat that I do not think that a shooting war is imminent. But fifth-column penetration is a continuing menace, and I know of no military expert who would underwrite our national security on the now famous Colonel Toombs formula: "We can lick the damn Yankees with cornstalks."

After World War I, weary of sacrifice and eager to lighten the tax burden, we succumbed to the dulcet plea to return to normalcy, and we demobilized our Army and sank our Navy. Those in favor of economy got economy, and those favoring a reduction in income taxes got a tax cut in excess of \$2,000,000,000. But in less than 25 years they and all the rest of us, including the veterans of World War I who had been told their sacrifices were not in vain, got a bigger and better war involving 1,000,000 casualties, \$340,000,000,000 cash outlay, postwar inflation, the cost of which has not yet been tabulated, and a social unrest that constitutes a definite threat to the perpetuity

of the very democratic institutions for which both wars were fought.

Over and above all else, after World War I we adopted a policy of national isolation and turned our backs upon our former war allies. Fortunately, they were able to survive, and, when we were attacked in 1941, to hold the line until we could again prepare for battle. Such a chance to prepare against disaster will never come to us again. This time we will either assist our allies in their struggle to recover from the last war or face a hostile world alone. I rejoice in the fact that we have profited from our experience and are now committed to a program of international cooperation as the best safeguard against another war. Both Lot and his wife knew what was necessary to save them from destruction, but Lot's wife turned back. God grant that we shall not emulate her example.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I shall be glad to yield for a question.

Mr. SALTONSTALL. I should like to ask a question of the Senator from Virginia, who is a member of the Appropriations Committee, as I am, and I desire to be a little bit specific in my question, because I understand that in the committee the Senator from Virginia supported, in substance, the report which the committee made. There were several items in connection with which he voted against the action of the majority, but do I correctly understand him to favor the total amount of the ECA appropriation for 1950, as the committee reported it, not including the \$74,000,000 for the balance of 1949?

Mr. ROBERTSON. Mr. President, after 23 years of legislative experience, I have learned that most legislation is the result of friendly compromise. In our committee there was a motion made to make a very drastic cut in the program, one of approximately \$800,000,000, and that motion was defeated. Then the distinguished Senator from Kansas [Mr. REED] made a motion to accept the House figure, which was for 12 months, with a 10½-month spending privilege. That motion was defeated. Then I made a motion to cut the authorization by 10 percent, which would have been \$428,000,000 below the authorization, but slightly above the House figure for a 12-month period and less than the House figure for a 10½-month period. Then the junior Senator from Michigan [Mr. FERGUSON] made a motion to cut the Budget estimate 10 percent. That motion was adopted. I voted for it; and, with all due deference to my previous personal views, I intend to stay with the committee on that figure, because, as I have said, in a program involving nearly \$4,000,000,000, no one can categorically say that \$200,000,000 or \$250,000,000 is an exact measure of the difference between success and failure.

Therefore I am willing to take the chance that, with his extraordinary ability, Mr. Hoffman will be able to use the fund carried in our bill to do the job, provided, Mr. President, we do not adopt

amendments which will reduce the amount, first, by \$74,000,000, which he has already obligated, and justifiably so. Under the joint resolution, we permitted him to continue to spend on the basis of the lowest pending appropriation bill, and at that time we had only the House bill. So he made his commitments on the basis of the House bill, and they involved \$74,000,000, which the committee proposed to cut out of his appropriation. I hope that amendment will not be adopted, because it will cut below what is needed as I have indicated.

Then there was a \$50,000,000 grant to Spain, which is not an OEEC country. Mr. Hoffman has no way in the world to administer a relief program in Spain. I am hoping that that will come out of the program.

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I will say to the Senator from Virginia that with those two suggestions I am in hearty sympathy. I should like to ask him a question, so as to have the RECORD clear with reference to the dollars and cents, as well as with reference to the general statement which he has made. I assume he is also in favor of the committee's action with relation to the carry-over of Government relief in occupied areas as to which the committee cut the House appropriation \$25,000,000.

Mr. ROBERTSON. I shall stand by the committee action on that item, because the testimony before us was that in all likelihood the job can be done with the amount appropriated, and, certainly, as I have indicated already in my remarks, we have a serious budget situation, and no one is more desirous than I am to get by without either a big deficit on the one hand or a burdensome new tax on the other hand.

Mr. VANDENBERG. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Michigan.

Mr. VANDENBERG. First I wish to congratulate the Senator from Virginia on the thoroughly splendid address he has just made to the Senate, because I think he has presented a concept which is irresistible in its public value for the welfare and security of this Nation.

Mr. ROBERTSON. Mr. President, that tribute could come from no source which I would more deeply appreciate.

Mr. VANDENBERG. I thank the Senator. With respect to the ECA appropriation, I am particularly interested in the Senator's answer to the interrogatory of the Senator from Massachusetts. I do not need to indicate my own deep and fundamental sympathy with the ECA. I think that is an axiom.

In the present situation, however, when it is perfectly obvious that there must be general budgetary cuts spread through the entire body of appropriations, much as I regret the extent to

which the cut has gone as recommended by the Senate Committee on Appropriations, I am inclined to agree with the conclusion announced by the Senator from Virginia himself, that we confront a condition and not a theory, and that we must guide ourselves accordingly. Therefore, so far as I am concerned, with the exception of the ex post facto cut which goes into the previous fiscal year, I am not going to resist reductions recommended by the Senate Committee on Appropriations, and I am quite content to let the arithmetic go to conference for final exploration and judgment.

It seems to me, however, that the critical issues presented before the Senate in connection with the bill—and I judge this is the view of the able Senator from Virginia, at any rate it is the question I am asking him—it seems to me that the critical issues before the Senate in connection with the bill relate to the four or five amendments which have been offered, which virtually become expressions of legislative intent in respect to matters which, in the opinion of the Senator from Michigan, the Committee on Appropriations really should have little jurisdiction over. However, I do not quarrel with the committee for any action it takes on its own responsibility.

I am asking the Senator, speaking now from the viewpoint of two friends of ECA, whether the real issue before the Senate is not a question of over-all mathematics, but has come down to the question of rejecting certain amendments which, at least by indirection, would seriously cripple the entire enterprise, and whether that is not the point at which we will find it necessary to concentrate our consideration.

Mr. ROBERTSON. Mr. President, I fully and unreservedly concur in the suggestion made by my distinguished colleague from Michigan that it will be the part of wisdom for the friends of this program, those who believe in it, those who want to see it succeed, those who believe that if it does succeed it is going to be a major contribution to the future peace of the world, to accept as the best settlement we could get the money amount carried in the major bill, and make our stand against the five amendments, only one of which, as I recall, we had any testimony on, and that was a relatively minor one, the so-called Rhodes amendment, which denies aid to any country which violates any treaty.

It seems that a hundred years ago we had a treaty with Morocco, now under the jurisdiction of France, about certain tariffs. In the light of extreme and unusual economic conditions, necessitating the conservation of dollar resources, France put the same kind of restrictions on American purchases which nearly all the European countries had, and according to the report which I got from Mr. Hoffman in explanation of this program, the restrictions of which Mr. Rhodes and other Americans in Morocco complained, apply to everybody in Morocco. But the amendment which the committee adopted to the bill would provide that France could not participate in the re-

covery program unless she stood by a hundred-years-ago treaty with respect to trade with Morocco, and thereby gave Americans in Morocco an exclusive right to deal in American goods over their competitors, and apparently to the detriment of the economy of Morocco. I do not believe that is a good amendment to the bill, and I should like to see it eliminated.

Mr. FULBRIGHT. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I regret that I did not hear the first part of the Senator's remarks, and I desire a little clarification as to how he arrived at the statement he made a moment ago that the appropriations now carried by the bill represent a 10-percent cut under the budget estimate. I do not quite follow the Senator's figures, and I should like to have him explain them.

Mr. ROBERTSON. I did not do the figuring. There was a motion in the committee to cut the budget estimate 10 percent. It was offered by the junior Senator from Michigan [Mr. FERGUSON], and it was adopted. It figured out, according to the committee clerks and computers to the figure put into the bill, and I think they figured it correctly.

Mr. FULBRIGHT. It appears on its face to be more than a 10-percent cut.

Mr. ROBERTSON. Is the Senator looking at the budget estimate?

Mr. FULBRIGHT. The report says, "The bill as reported to the Senate, under the estimates, \$748,820,000." I presume it means under the budget estimate.

Mr. ROBERTSON. We have the army-aid program to consider, also.

Mr. FULBRIGHT. I see. What the Senator means is that the cut in the ECA amount is 10 percent?

Mr. ROBERTSON. Ten percent of the budget estimate.

Mr. FULBRIGHT. That is what I wanted cleared up.

Mr. ROBERTSON. In view of the point, and a very pertinent and vital one, made by the distinguished senior Senator from Michigan as to the friends of the program standing together, I think it might be pertinent for me to refer to the four other amendments which he undoubtedly had in mind.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question at that point?

Mr. ROBERTSON. Certainly.

Mr. VANDENBERG. For my information, is it or is it not true that the five amendments, to one of which the Senator has already referred—and I am cognizant of the identification of the other four—were put into the bill after the hearings had been concluded, were not based upon testimony and were never submitted to ECA for its official reaction?

Mr. ROBERTSON. That is true, except the so-called Rhodes amendment concerning Morocco trade. Mr. Rhodes did appear before the committee, and made a very earnest and, it appeared to me at the time, a very plausible plea. He claimed that Americans in Morocco were being discriminated against. But upon

further investigation I agreed with the viewpoint of Mr. Hoffman, that we would place France and the State Department in a very undesirable light if we fell back on the provisions of a 100-year-old treaty in order to give Americans in Morocco rights which nationals of no other country enjoyed.

Then we had the so-called Cordon fertilizer amendment, based at the time upon the assumption that our farmers were still experiencing a shortage of nitrogen, and that we needed to make available to them 10 percent of the capacity of the plants owned by the Government and operated by the Army primarily for the purpose of furnishing nitrogenous fertilizers to Germany.

We have subsequently found, as I asserted in the committee at the time to be the fact, but did not have the proof, that there is at the moment about a 200,000-ton surplus of that type of fertilizer in this country, and I understand from the Senator from Oregon [Mr. CORDON] that he is glad to know that he misjudged the situation, and I understand he will ask the privilege of withdrawing his amendment, or certainly he will not object to the Senate voting it down.

The amendment of probably the most serious consequences was that offered by the distinguished Senator from Arkansas [Mr. McCLELLAN] to freeze the tentative estimates of cotton and food in the bill, regardless of the fact that we cut the over-all appropriation about \$400,000,000 below the \$4,000,000,000 Mr. Hoffman had used in making a tentative estimate. That amendment would require him to buy those farm products on the basis of an estimate that was tentative, in trying to justify the various items he was asking us to put in the bill.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. McCLELLAN. If the budget was reduced by 10 percent, which I think is about the amount of the reduction reported in the bill—

Mr. ROBERTSON. Ten percent.

Mr. McCLELLAN. The committee cut the amount about 10 percent below the budget estimate, as I recall. Is that correct?

Mr. ROBERTSON. That is correct.

Mr. McCLELLAN. Then if the amendment to which the Senator refers, which I sponsored to the bill, were made to conform to that 10-percent reduction, would the Senator still oppose the amendment?

Mr. ROBERTSON. I would, because it violates the working agreement between ECA and OEEC, under which we understand that, as the sovereign nations involved are dealing with us in a friendly attitude we will let the various nations indicate to us where their needs lie, and then, within certain limits of our discretion about those needs, we will certainly let them indicate, of the items we are willing to approve, which shall take top priority. I do not think we have any right under this program to say, "Even though you need machinery for rehabilitation far more than you need cotton or wheat or corn, so much cotton and so much wheat and so much corn is going to be your portion, take it or leave

it. But the amount we allocate now for that cannot be spent for machinery or any other purpose.

I am sure the distinguished Senator from Arkansas knows that all three of the major farm organizations of the United States have asked us to eliminate that item from this program, first, because they do not think it will help our farmers; second, because they do not think it is fair to the program; third, because they think Soviet Russia could use it as propaganda that we are using the program as a dumping process; and fourth, because we will ultimately make enemies over there instead of friends, and really work disaster to our future market for our products.

Mr. McCLELLAN. Then, if we place no restrictions upon the program whatsoever, what is the point of asking or requiring each nation to present a budget upon the basis of which we are requested to appropriate the money to make those commodities available? Why do not we simply say, "Here is a billion dollars. Take it. Spend it any way you want to." When we appropriate money for various agencies of government, each one is required to come before the Appropriations Committees and present its request, and justify it. Then we earmark the money we appropriate for that specific purpose, and it is not subject to the determination of an agency afterward that it may spend it for anything it wants to.

Since the budget so prepared originated from the nations participating, with respect to the commodities they need—they said they needed them—and was screened through the processes which are employed, and was then presented to us as an appeal that they needed that much money to acquire this minimum of commodities, why should we not take them at their word?

Mr. ROBERTSON. Mr. President, the OEEC has not submitted its estimate to ECA concerning the cotton and food they want during this fiscal year. That is point No. 1. OEEC has not been heard from. Point No. 2 is that we exercise this control because we do not want the program to be a glorified WPA or UNRRA program. We want it to be a rehabilitation program. Our previous postwar aid had gone for feeding the hungry and clothing the naked, but the nations involved had not inaugurated a program of trying to get on their feet. We were afraid they would ask too much for food and clothing and take it easy. We were going to say, "We will let you have just sufficient food to make you strong enough to work, but the rest of the money we want to go into something which will make you ultimately self-sufficient by production, and by getting into trade again." I have lost count of the different phases of it. But whatever the next phase is—it is section 202, is it not, I ask the Senator from Michigan, in our fundamental law? If they buy with American dollars any food or cotton or farm products of which we have a surplus, they must come to us for them. That is the protection afforded to the American farmer, as written in the law, where he who runs can read. That is the reason I say that since the farm organizations

have opposed this amendment—and I share their viewpoint—I hope the Senate will not retain the amendment in the bill.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JENNER. If the section of the fundamental ECA law which applies provides that if we have surpluses which other countries need they must come to us first, how does the Senator reconcile that with the recent trade pact entered into between England and Russia, whereby England receives from Russia a million tons of coarse grain during the next year.

Mr. ROBERTSON. I do not like that deal. It is a barter deal. If this program is to work permanently we must not only rehabilitate the industrial capacity of the countries in question, but they must cooperate with us in carrying out the whole program for reciprocity and freer world trade. The barter deals between Russia and Britain, and between Britain and the Argentine fly right in the face of what we are trying to do. They are deplorable, but Britain probably is driven to enter into them by a sense of desperation, since she could secure the grain from Russia on the basis of a barter deal, whereas she could secure it from us only on the basis of a cash deal. Likewise, she could secure meat from Argentina on the basis of a barter deal whereas she could not secure meat from us on the basis of any kind of deal because we do not have it to spare. But when Britain secures grain from Russia she does not use one penny of our money to secure it.

Mr. JENNER. I understand that, but it goes into the general fund of Great Britain.

Mr. ROBERTSON. It goes into the general fund of Great Britain for the economy of Great Britain. That is true.

Mr. JENNER. She may use it for socializing her industries.

Mr. ROBERTSON. I do not want to become involved in a discussion of the Kem amendment, because that has not been adopted by our committee. That amendment, I believe, is based on the assumption that we are financing the nationalization of British industry. At the proper time the answer to that will be that not \$1 of our money goes directly into the purchase of any British industry. The British industries are bought with British pounds. But we set up a counterpart fund, of which Great Britain receives 95 percent and we receive 5 percent for our own use, and one of the things the counterpart fund can be used for is the retirement of debt. Great Britain increases her debt by taking over coal, steel, or whatever industry she takes over, and then she applies a part of the counterpart fund to the reduction of that debt. Mr. Hoffman testified before us that in the process she saved on interest and carrying charges between \$10,000,000 and \$15,000,000. To that extent we have subsidized her socialization program.

Mr. JENNER. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. JENNER. The distinguished Senator, being a member of the Committee on Appropriations, and being acquainted

with these problems, may be able to give me some enlightenment. As I understand, about one-third of the Marshall plan funds go to Great Britain.

Mr. ROBERTSON. About \$900,000,000 this year and about \$1,000,000,000 the previous year.

Mr. JENNER. As I understand, Great Britain's present crisis and difficulty is due to the fact that she has an unfavorable trade balance.

Mr. ROBERTSON. That is one reason, but there are a number of other reasons.

Mr. JENNER. In other words, in her trade with our country she has an unfavorable trade balance of about \$600,000,000.

Mr. ROBERTSON. Does the Senator want some information as to why she has such an unfavorable trade balance?

Mr. JENNER. I should like to lay a premise for my question, to see if I am not correct. Her total unfavorable trade balance will be approximately a little more than \$2,000,000,000. Is that the approximate figure?

Mr. ROBERTSON. No. It was about \$2,000,000,000 last year. But they have really been up against it, under their austerity program.

Mr. JENNER. I realize that.

Mr. ROBERTSON. Bear in mind that our checks show that the per man production in Great Britain now is equal to the prewar production, but they do not have as many workers, and they have a great deal of obsolete machinery. They estimate that their dollar shortage this year will be approximately \$1,000,000,000, of which we are going to take care of about \$900,000,000.

Mr. JENNER. In other words, the basic economic proposition is that England is spending beyond her income.

Mr. ROBERTSON. Absolutely; and she has done it for 50 years. Let us get this in the Record at this time. She drew from colonial possessions, and she was not squeamish about how she worked those black boys and brown boys.

Mr. JENNER. She still is not.

Mr. ROBERTSON. She loaned the money to build the Norfolk & Western Railroad in Virginia, which is the best piece of railroad property in the world. She put up the money when old Gen. Billy Mahone built that railroad after the war between the States. He claimed that we fell out with him because he turned Republican, and that we got the British to call the loan. At any rate, the loan was called, and the Norfolk & Western was purchased by the Pennsylvania Railroad for \$15,000,000.

Mr. JENNER. It was a loan. It was not a gift.

Mr. ROBERTSON. They did not give anything. They were lending. But they did lend all over the world. They built up overseas investments to the point where they were getting \$5,000,000,000 a year income. World War I wiped out some of it. World War II wiped out practically everything else, except for some securities our RFC now holds and in South America, some investments, but it is nothing comparable to what she used to have.

Then she suffered terrible war losses. Plymouth and Coventry were completely destroyed—homes, factories, and everything. One of every four homes in England was either destroyed or badly damaged. Not a bomb hit us. Then Britain does not have as many workers, because during the war her workers were scattered all over Asia and Europe, as far as the Malay Peninsula, and many still sleep there.

Mr. JENNER. The basic thing which I do not understand is that we are greatly concerned about the deficit of England, yet last year we had a deficit. We spent more than we earned, to the extent of about \$1,800,000,000. It is estimated that the coming year we shall have deficit financing to the extent of \$7,000,000,000 or \$8,000,000,000, according to some estimates.

Mr. ROBERTSON. I covet the opportunity to correct the Senator. In the last appropriation bill we cut more than \$1,000,000,000 from our military appropriations. We believe that if we do not have a brainstorm next spring and pass a great many deficiency bills, we shall close the next fiscal year with a deficit of less than \$1,000,000,000, on the basis of the budgets we have recommended, if the Congress will adopt those budgets and stick with them. I ask the chairman of the Appropriations Committee if I am correct in that statement.

Mr. McKELLAR. Mr. President, I do not think the Senator is correct. I think we are going to have a larger deficit than we now anticipate. I do not believe we ought to cut the appropriations as reported by the committee. I do not agree with the Senator at all.

Mr. ROBERTSON. The statement of the Senator from Indiana was that we anticipate a deficit of \$5,000,000,000.

Mr. McKELLAR. I do not know anything about the anticipated deficit.

Mr. ROBERTSON. I do not agree with the Senator from Indiana.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JENNER. The point I am trying to get at is this: If our economic situation continues as it was last year, and as it is apparently more or less agreed it will be next year, will we not wind up in the same position in which England is today?

Mr. ROBERTSON. We could if we were to indulge ourselves during the time when we were trying to protect ourselves from another war. We could wind up broke. Our resources are not inexhaustible. But I say to my distinguished colleague that if we have the spirit of the men who developed this country, if we get down to hardtack when hardtack is called for, if we do as the people in the valley of Virginia did after the War Between the States, when all the barns and fences were destroyed, after all the slaves were gone, and after all the machinery and horses were gone, we can overcome our difficulties. The people in the valley of Virginia did not have a WPA or Federal aid. They went to work and lived within their means. Now look at the Shenandoah Valley. It blossoms like the plains of Sharon.

Mr. JENNER. I agree with the Senator. I add that if England will do the same thing, if she will get down to work, stop boondoggling, stop the something-for-nothing programs, and stop cradle-to-the-grave security, she will likewise be in better shape.

Mr. ROBERTSON. I am not in a position to deny the soft impeachment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. The situation was not quite clear to me from what the Senator said to the Senator from Arkansas [Mr. McCLELLAN]. The Senator and I voted the same way in almost all the votes in the committee. My question is this: Was not the 10-percent cut from the budget estimates arrived at by the committee by including \$150,000,000 in the form of a loan?

Mr. ROBERTSON. That is correct.

Mr. SALTONSTALL. As I understand, the Senator is in favor of that procedure.

Mr. ROBERTSON. That is correct; and I so stated in my prepared statement, in which I gave the figures in detail as to each proposal, and what we finally wound up with.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. VANDENBERG. Before we get too far away from the initial colloquy between the Senator and myself, in which we agreed to make a virtue of necessity and not quarrel over the mathematics of this bill, I forgot to ask one additional question. Is it not the general understanding that if the ECA bill is cut substantially 10 percent, as is the recommendation of the committee, if there is a subsequent general rescission of 10 percent, the ECA 10 percent direct cut is to be recognized, and the general rescission is not to apply to ECA?

Mr. ROBERTSON. If I am not acting improperly in disclosing a discussion in executive session—and I do not feel that in this instance I am—the distinguished junior Senator from Michigan [Mr. FERGUSON] said that if we cut this budget estimate 10 percent—and he made that statement in support of his motion to cut it—then it would not be necessary to make the over-all cut apply to this particular appropriation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the junior Senator from Michigan.

Mr. FERGUSON. I understand that the McClellan resolution, which may be offered as an amendment, provides that in case of a cut in an appropriation such as the ECA appropriation, the amount of the reduction would be considered as fulfilling to that extent the purpose of the resolution. So the 10-percent cut in this bill would stand, but the other bills would be reduced in accordance with the terms of the resolution.

Mr. ROBERTSON. I may say to the junior Senator from Michigan that I am a joint patron of that resolution; and to the extent of my one sixty-third interest in what is done about it, I certainly would not ask that an appropriation which I

personally think was cut a little too low be cut 5 or 10 percent more. That would not make sense to me.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. VANDENBERG. I wish to make it quite plain that my agreement with the Senator from Virginia with respect to the mathematics of the bill was contingent upon the understanding that a direct cut made in this appropriation would be a complete credit in behalf of ECA against any subsequent general rescission.

Mr. ROBERTSON. While there was no vote in the Appropriations Committee on that issue, I think it is only fair to say that, so far as I can judge the sense of the committee, that was the sense of the committee when we agreed to a cut of that magnitude at that time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. Let me say that there is no question in my mind that the Senator states the facts correctly.

Mr. FERGUSON. I will say the same thing.

Mr. McCLELLAN and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. ROBERTSON. I yield first to the Senator from Arkansas, and then I shall be glad to yield to the Senator from South Carolina.

Mr. McCLELLAN. Senators will recall the colloquy between the Senator from Michigan [Mr. VANDENBERG] and myself several days ago on the floor of the Senate regarding Senate Joint Resolution 108. Subsequently the able Senator from Michigan presented to me a suggested amendment to conform to what we had discussed and what we had both agreed upon at that time. That amendment was adopted by the committee which reported Senate Joint Resolution 108, and it will be offered to the joint resolution when it reaches the floor.

With regard to the question of how this bill might be affected, it will be recalled that I stated at that time that so far as I was personally concerned I felt that the Senate could take full responsibility for making the cut in ECA appropriations, because that would be a blanket cut, and there was no reason, in my judgment, for the Senate in any way to shirk its responsibility in making the cut it felt it should make in the ECA appropriation bill.

However, the amendment as prepared and submitted by the able Senator from Michigan, and as adopted by the committee, would have the effect that if we had cut the ECA funds 10 percent below the budget estimates that 10 percent cut would be credited against a total 20-percent cut that it would be possible for the President to cut the funds for that agency, so that he could not cut them 20 percent more. That arrangement applies to that amendment and also to the appropriations for all other agencies with respect to which the Congress has made a cut of 1 percent, 5 percent, or 10

percent under the budget recommendations. In other words, such cuts must be credited against the limitation that a total cut of not more than 20 percent can possibly be made in the funds of such agency. That is my interpretation of the amendment submitted by the able Senator from Michigan.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. VANDENBERG. I am indebted to the able Senator from Arkansas for the very sympathetic consideration he gave to the amendment I submitted. The amendment was drawn by our legislative counsel, and it comes as close to achieving the result I am talking about as it seemed possible to put on paper. Therefore, I think it is important, from the viewpoint I have expressed, that the amendment be adopted.

I am grateful to the Senator for his interest in it. However, the amendment does not completely reach the situation I am talking about, because it protects an agency which has had a 10-percent cut made in its appropriations, as against only half of the 20-percent cut, which the resolution would permit.

Mr. McCLELLAN. That is correct.

Mr. VANDENBERG. I am now submitting to the Senator from Virginia a slightly different question. I have understood that the committee might give consideration to a horizontal 10-percent rescission of all appropriations; or something of that character. It was in that connection that I wished to be sure that my understanding was correct. My understanding arises from conversations with most of the members of the committee that in such a situation a direct 10-percent cut made by the Senate would be considered as meeting the ECA's share of a general 10-percent recession.

Mr. ROBERTSON. That is my understanding. That is my personal position; I believe that was the sentiment of the committee at the time when we took the action, and I assume it will continue to be the sentiment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MAYBANK. I wish to make clear that there was colloquy and discussion in the committee about the 10 percent and how it would apply, as has been stated; but there was no vote and no one was committed on it.

As to the resolution of the Senator from Arkansas to have a 10-percent cut made in the appropriations for all Government agencies, let me say that even after we act on the ECA appropriation bill, after we act on the stock-piling bill, in which a cut of some \$270,000,000 has been made in contract authorizations, and after we act on the armed services appropriation bill, with respect to which the funds for the Air Force were cut by the committee \$800,000,000, that being equal to the amount proposed by the President for universal military training—and the committee also made a cut in connection with the 1-year-trainees program—we must realize that cuts have not been made by the Senate in the ap-

propriations for two-thirds of the Government agencies.

So if we are going to have an understanding that the 10 percent cut cannot be made in the funds carried in this bill, I do not see how we would get very far in the direction of making cuts in appropriations generally, because the only bills left, after this one, are the appropriation bill for the Department of Agriculture, whose appropriations are already below the prewar level, and the appropriation bill for the Treasury and Post Office Departments, whose funds have already been cut below the amount of the budget estimates.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. McCLELLAN. Mr. President, if the economy resolution is passed, it strikes me that the only fair way to proceed is to do just what is provided by the amendment offered by the able Senator from Michigan. That provides the latitude of permitting a cut of between 5 and 10 percent to be made, provided there is a limitation or restriction that no agency shall have its funds cut more than 20 percent; and it also provides a credit feature, namely, that any agency whose funds have been cut by the Congress itself below the amount of the budget estimate, shall have that cut credited against the 20 percent figure.

Of course, every cut the Congress makes brings us that much nearer to balancing the budget. Therefore, if substantial cuts are made by the Congress, it will not be necessary for the President to reduce the over-all appropriations by 10 percent. The more reductions we make here, the smaller the reduction the President will have to make. In such circumstances, perhaps he could make only a 5 percent reduction.

It seems to me that the only fair way to proceed is according to the amendment of the Senator from Michigan; but of course that leaves the matter in the discretion of the President. He will not be obliged to make the cut in the ECA funds or in the funds of any other agency. But I think it perfectly fair, not only from the standpoint of ECA, but from the standpoint of all other agencies, to provide that whatever cuts are made shall be credited to the total cuts permissible for the particular agency.

I repeat that, so far as I am concerned, I think the Congress is in position to deal completely with the ECA and make whatever cut should be made in its funds, because from my viewpoint the ECA appropriation bill is in a different category, as compared with the general appropriation bills.

Mr. LUCAS. Mr. President, I should like to ask the able Senator from Virginia a question.

Mr. ROBERTSON. I yield.

Mr. LUCAS. In view of the colloquy between the able Senator from Virginia, the able Senator from Michigan [Mr. VANDENBERG] and the able Senator from Arkansas [Mr. McCLELLAN], does the Senator from Virginia agree that the language of the economy resolution which might be offered by the Senator

from Arkansas is in conflict with the agreement the Senator from Virginia and the Senator from Michigan have with respect to a 10-percent cut in the ECA funds?

Mr. ROBERTSON. That is a question which I should prefer to answer in this way: When I was invited to become a sponsor of the economy resolution, the objectives of which I fully endorse, I called attention to the fact that I thought the ECA funds should be cut before we got to the matter of making a general cut in appropriations. I understood, if that happened, that matter would be taken care of before the general reduction resolution was passed, and I think it will be taken care of.

Mr. LUCAS. Then does the Senator from Virginia agree with me that the language of the McClellan resolution definitely conflicts with the agreement the Senator from Michigan and the Senator from Virginia have in regard to what will happen to the ECA funds? In other words, they agree that not more than 10 percent should be cut from the ECA funds. Yet under the McClellan resolution it is understood now, I think, judging from what the Senator from Virginia has said, that more than a 10-percent cut could be made, if that resolution should become the law of the land.

Mr. ROBERTSON. My position is that we should not cut the funds for the ECA below the amount stated in the bill which is now before the Senate.

Mr. LUCAS. I certainly agree with the Senator on that. On the other hand, the Senator's name is on the petition. That is another reason why the Senator from Illinois has been deferring consideration of the petition, until we could get into the debate upon ECA and other measures, and finally determine how much they would be cut.

Mr. ROBERTSON. The Senator from Virginia will say that in putting his name on the petition he not only had a mental reservation, he also had some audible conversation about ECA, and he felt he had some assurance he would not get caught in a jam on ECA. I still believe I shall be protected.

Mr. LUCAS. I am glad to know that. It is all new to the Senator from Illinois. If there is any reservation in respect to the petition which has been circulated, and which has been signed by 63 Senators, it is all new to the Senator from Illinois. I am very happy to know the Senator has that understanding.

Mr. ROBERTSON. We had a very informal discussion as to what might happen to the military bill, knowing that would be the last appropriation bill. If we cut it to the bone, it would not be cut again. That was my understanding of what would happen if we cut it to the bone. I think the chairman of our committee, the senior Senator from Tennessee, did a fine job on the bill. We have cut it more than a billion dollars below the House figure. In addition to that, we carry in it a rescission of contract authority, or the stock piling agreed upon this morning, if it is finally adopted by the House, of \$275,000,000. Those two

together effect a very substantial saving in what was the budget estimate.

Mr. LUCAS and Mr. McKELLAR addressed the Chair.

Mr. LUCAS. Mr. President, will the Senator yield further, merely for an observation?

Mr. ROBERTSON. Since I mentioned the Senator from Tennessee, I will yield first to him.

Mr. McKELLAR. Mr. President, am I to understand the Senator to take the position now that he is in favor of the bill as reported to the Senate?

Mr. ROBERTSON. Does the Senator refer to the pending bill?

Mr. McKELLAR. Yes.

Mr. ROBERTSON. I have repeatedly said I was going to stand by it, except for the five amendments.

Mr. McKELLAR. What are the five amendments?

Mr. ROBERTSON. One of them relates to Spain, one of them to fertilizer, one of them to farm products, one of them to Morocco, and one of them is a \$74,000,000 cut for the previous 3 months. With those five exceptions, I am standing by it. I said I stood by the money figure in the bill, which was of course the major part of it.

Mr. McKELLAR. It is, of course. The Senator will recall it was not my doing I was defeated in the committee. I proposed to make these cuts of about \$800,000,000. I was defeated, as I recall, by a substantial majority, I have forgotten exactly what it was. We reduced the bill below the 1950 budget estimates only \$598,820,000. We reduced the bill below the House only \$403,871,420 on a 12-month basis.

I am delighted to hear the Senator say he is satisfied with the money provisions of the bill, and that it will go in, with his approval, with the cut of \$598,000,000 below the 1950 estimates. I represent the committee, and for that reason I want to assure the Senator, and to assure all Senators, this is not my doing. Had I been doing it, I would have cut it more. It should have been cut more, in my judgment. But the committee has instructed me to report the bill as it is. I hope the Senator will withdraw his opposition to the immaterial things, as it seems to me. The committee has given this bill most careful consideration, having taken over a thousand pages of testimony. We have heard testimony, from anyone who wanted to be heard about it, before we came to a conclusion. I was defeated, but I hope the Senate will pass the bill as reported. It is a proper bill. I may say in all kindness, I think it is our duty, when we are making all these wonderful gifts, to consider America just a little. I am 100 percent American.

Mr. JENNER. That is unpopular.

Mr. McKELLAR. I know it is unpopular, but I am 100 percent America, and I hope the Senate will stand for the mutilated bill as reported. It makes a substantial cut where a cut ought to be made. I ask unanimous consent to place in the Record a table showing the reductions recommended by the Senate appropriations Committee, to appear at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Senate committee reduction below House on foreign-aid appropriation bill, 1950, on a 12-month basis¹

House bill for ECA, 12 months.....	\$4, 078, 251, 420
Senate committee bill for ECA, 12 months.....	3, 628, 380, 000
	449, 871, 420
Less public debt transaction.....	150, 000, 000
Senate committee reduction in ECA on 12-month basis.....	299, 871, 420
Plus Senate committee reduction in ECA 1949 unexpended funds.....	74, 000, 000
Total, Senate committee reduction in ECA funds.....	373, 871, 420
Plus Senate committee reduction in assistance to Greece and Turkey.....	5, 000, 000
Plus Senate committee reduction in Government and relief in occupied areas.....	25, 000, 000
Total, Senate committee reduction below House in Foreign Aid Appropriation Act, 1950.....	403, 871, 420
SENATE COMMITTEE REDUCTION BELOW 1950 BUDGET ESTIMATES	
Total budget estimates, Foreign Aid Appropriation Act, 1950.....	\$6, 322, 544, 000
Bill as reported to the Senate.....	5, 573, 724, 000
	748, 820, 000
Less public debt transaction recommended by Senate committee.....	150, 000, 000
Senate committee reduction below 1950 budget estimates on Foreign Aid Appropriation Act.....	598, 820, 000

¹Exclusive of item of \$344,000 for Joint Committee on Foreign Economic Cooperation, for which there was a budget estimate in that amount.

Mr. ROBERTSON. Mr. President, I am afraid my distinguished friend and beloved colleague from Tennessee misunderstood my reference to the bill on which he had done an outstanding job of cutting. I did not attribute his work to the ECA bill. I said it was in cutting the military bill more than a billion below the House estimate, that I thought he had done a very fine cutting job from the standpoint of economy. I am sure that statement will not be successfully contradicted. I now yield to the Senator from Illinois.

Mr. LUCAS. Mr. President, I only have one more observation to make. I do not rise at this time to discuss the merits or the demerits of the bill. I may however say I am greatly surprised, if the Senator from Tennessee [Mr. McKellar] lost a battle in the Senate Appropriations Committee. The Senator seldom loses any battle in which he engages.

Mr. McKELLAR. I was humiliatingly defeated. I want to acknowledge it to the Senate and to the country—to the world, for that matter, because all the

world is concerned in it. I think nearly everybody in the world is asking for some money in it. I admit I was humiliatingly defeated.

Mr. ROBERTSON. Mr. President, had the Senator from Illinois finished with his question?

Mr. LUCAS. Mr. President, one other observation, and I am through. The only other point I raised was in respect to what seemed to me to be probably a conflicting viewpoint on the amount that might be cut in the event, for instance, the Senate should adopt the amendment that might be offered by the distinguished Senator from Arkansas. The Senator from Virginia has cleared that up for me, so far as he is concerned. I appreciate it very much.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Arkansas.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senator from Virginia may, without losing the floor, permit the Senator from Arkansas to yield to me.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. MAYBANK. I merely wanted to say a word in connection with the resolution referred to by the distinguished Senator from Arkansas, in which I joined. This bill contains many billion dollars. The independent offices bill contains many billion dollars, and the national military bill contains, of course, anywhere from \$13,500,000,000 to \$15,500,000,000, depending upon where we put the stock-piling and other items. That represents about two-thirds of the appropriations in bills on which the Senate has not yet acted. I am wondering what a 10-percent reduction would mean, if we eliminated those bills from the purview of the resolution. If we are to eliminate from the resolution the ECA, I assume an effort will be made to eliminate the stock-piling and the armed services. I assume someone else will propose eliminating the independent offices. I should like to know frankly what it is that I am a party to, in connection with my good friend from Arkansas, with respect to the resolution regarding a 10-percent cut, and yet eliminating two-thirds of the appropriations to which it could apply.

Mr. McCLELLAN. Mr. President, if the Senator is asking me, I may say nothing has been eliminated from the resolution.

Mr. MAYBANK. Will it apply to ECA?

Mr. McCLELLAN. It will. As the resolution is now written. It will apply to ECA. It will apply to every appropriation made. If the amendment suggested by the able Senator from Michigan, which has been adopted by the committee, is adopted by the Senate, it will still apply to every agency of the Government, and it will apply to all of them alike. Where a cut has been made, the cut will be credited, and it will therefore reduce the amount which the President could possibly cut from a particular agency.

Mr. MAYBANK. Could not the President make a further reduction?

Mr. McCLELLAN. He could, in his discretion, make a further reduction.

There is only one thing further I should like to add, if the able Senator from Virginia will yield.

Mr. ROBERTSON. I should be glad to yield the floor.

Mr. McCLELLAN. Mention has been made here of agreements. I want to make this observation, that I was present in the Appropriations Committee when these funds were cut and these discussions were had. There was no agreement that bound anyone. As I have stated on the floor of the Senate, for my own part, I felt the Congress should take full responsibility for cutting the ECA appropriations, to whatever extent a cut should be made. I also felt that the cut should be credited against whatever authority to reduce expenditures is finally given to the President. That applies to any cut the Congress may make in this or any other appropriation bill.

Mr. MAYBANK. Mr. President, if the Senator will yield, was not the same conversation had in respect to the reduction of a certain amount and the transferring of funds to the Air Force, and cutting \$400,000,000 additional from the National Military bill, and reinstating the amount contained in the President's budget? Was it not felt that there was a sufficient cut?

Mr. McCLELLAN. I think there was general discussion along those lines. The Appropriations Committee was undertaking to make all the cuts it could possibly make, so far as it had the information, which I think is the responsibility of the committee and of the Congress. I think the Appropriations Committee, in these bills, in good faith undertook to make cuts where it thought they should properly be made insofar as it had information to guide it.

Mr. MAYBANK. There was no agreement of any kind, nor was there any roll-call vote or any other kind of vote.

Mr. McCLELLAN. That is correct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield for a question.

Mr. FERGUSON. Lest the statement of the Senator from South Carolina on the military bill be misinterpreted, let me say that the junior Senator from Michigan stated at the time that he intended to move on the floor for an amendment providing a 10 percent cut, rather than a cut of 3 or 3¼ percent.

Mr. MAYBANK. The junior Senator from Michigan will agree with me that there was a general discussion in the committee.

Mr. FERGUSON. There is no doubt about the discussion.

Mr. ROBERTSON. The junior Senator from Michigan is correct. He did make that statement. I was present and heard it, and I am glad to confirm it.

TREATMENT OF FARMERS—UNCONDITIONAL SURRENDER—SITUATION IN GERMANY—AMERICAN DIPLOMACY

Mr. LANGER. Mr. President, I intend to vote against this bill in its entirety. I wish the Members of the Senate would pay as much attention to the farmers of the United States as they pay to foreign peoples.

In 1929, all over the great Northwest, there was a drought. Farmers lost their entire crops. They had saved up some money, so that they had seed for 1930. In 1930, 1931, and 1932 there was another total drought. Canada had a similar drought to that which prevailed in the United States. In some parts of the country the farmers received practically nothing for the little crops they had.

In 1932, in some places, wheat sold for 19 cents a bushel; oats for 7 cents a bushel. In 1928, 1929, 1930, and 1931, as every Senator knows, a farm plan was provided. All over the Northwest the drought continued in 1933, 1934, 1935, 1936, and 1937. Every farmer in the United States who borrowed money from the Government had to sign a note. The Government took a mortgage on everything the farmer had. I remember very well that some farmers had to give a mortgage on their chickens, and on the eggs which the chickens laid. Inspectors came out and said, "You are supposed to have so many eggs." Since away back in 1929 until today the American farmer has been hounded by our Government to pay those debts. I remember when former Senator Shipstead, former Senator Nye, former Senator Wheeler, the Senator from South Dakota [Mr. Gurney], and the late Senator Bushfield joined together in a bill and endeavored to get relief from the 6 percent interest. They could not get the bill reported from the committee. They succeeded in getting some small portions reported; but they could not get the matter to a vote upon the floor.

All over America the Department of Agriculture is taking estates left by farmers who have died. There are no exemptions, and they take every dollar the widows and children have. Some of my constituents are going to the States of Washington and Oregon and getting jobs there.

During this session there has been a bill pending, which has not yet been reported, to meet the situation. Representative BURDICK has a bill pending and cannot get it reported from the committee. Certainly we should protect the farmers who, during those droughts, had faith in the country and seeded their crops, year after year, even though they had to borrow money from the Government. The Government was cruel. I remember that 200 farmers met in the town of Cleveland, and from St. Paul, Minn., came a man in charge of the seed and feed loan. Those farmers paid approximately \$2 a bushel for good seed. They had a very small crop, and part of it was shriveled wheat. The collector said, "I am going to collect what is owing." As Governor, I said, "Certainly you are not going to take away the money that had to go to the grocery man who fed these people. You are not going to take it away from the doctor who has been taking care of them. These people have no coal; the children have no clothes to wear to school; their parents have no money with which to buy books." That collector said to me, "We are going to take every single dollar. These people can go on relief."

I said, "Mister, you are mistaken. You are not going to take one single penny."

We offered them half the crop, and they would not accept it. I called out the militia, and they did not take any of the crops in my State. In one place, where the militia was not called out, a judge was taken from behind his desk.

I remember what happened when a governors' conference was called in Des Moines, Iowa. It was called by Clyde Herring, and was attended by 11 governors. I saw many citizens of Iowa, men like J. S. Johnson, of Moorhead. He said his grandfather had filed on a piece of land 75 years previously, and his father had lived on the place. He stood there with his toes sticking out of his shoes, and wearing tattered clothing, and said, "If you want a revolution, you can have it. We are not going to give up our crops."

We finally sent five persons to Washington to see the President of the United States, Mr. Roosevelt. When they went into the President's office they were shown a telegram stating that in Wisconsin coal oil had been used in six creameries to prevent the making of butter.

On the second night of the Governors' Conference in Iowa a group of a few hundred persons held a meeting and said, "We are going to burn the bridges leading into Sioux City." They did. We said we were going to give the farmer some relief. Relief had been promised them by the President of the United States and by the Congress. Canada canceled similar debts years ago. Canada canceled every single one of the seed and feed loans made to the farmers, but in the United States collectors are still sent out to collect money from farmers. I say again that this very Congress, the Congress a year ago, 2 years ago, 3 years ago, 4 years ago, and so on, has refused to cancel the seed and feed liens. Agents of the Government are taking the last drop of blood out of the farmers who were patriotic enough to keep on seeding crops and raising food.

Mr. President, I think the most significant thing that has been said upon this floor in a long, long time was said by the junior Senator from New York [Mr. DULLES] in his maiden speech on the 12th of July. Certainly it is the most significant thing, so far as the pending bill is concerned. The junior Senator from New York said:

In this connection, Mr. President, I should like to refer briefly to the problem of Germany. Ever since VE-day the problem of relations with the Soviet Union has so dominated our thinking that we have given little thought to the problem of Germany. But we should not forget that the conditions which brought Hitler to power are latent in Germany today, even in exaggerated form, for there are more Germans today than ever before, in a smaller Germany. They are strategically located between the east and the west. They have ambitions, which I hope and believe can be worthy, but which we know can be evil. Unless the west can provide the Germans with a decent and hopeful future, it is almost certain that they will develop a bargaining position between the east and the west, between the Soviet Union and western Europe, out of which could come

at least a temporary Soviet-German alliance. If that should come, all our hopes and plans for a peaceful and free Europe would crash to the ground. But 70,000,000 Germans are too many for the comfort and the safety of the European members of the Atlantic community unless their security is strengthened by the adhesion of the United States. Germany can be integrated in the west if the west includes the United States. Germans cannot be safely integrated in the west, and certainly they will not be invited into the west if the west does not include, for security purposes, the United States.

There we have it once more, Mr. President, from the distinguished junior Senator from New York. He says that the all-important question is Germany. In a few days there is to be an election in Germany, and we are going to find out whether the Communists are to continue to gain in Germany or whether they are not. General Clay says that Germany is the keystone to all of Europe, and that whoever the Germans are with will control Europe. The junior Senator from New York said practically the same thing.

I may be pardoned, if I for one say that I have not any confidence in the Foreign Relations Committee of the United States Senate. I say that after nine long years of experience. I do not intend to go into everything that has happened during those nine long years, but time after time after time I have seen Senators on this floor giving warning, as Senator Wheeler did, as to just exactly what was going to happen. Away back in 1945 he gave such a warning. How well I remember when he made his speech how Senator after Senator got up and walked off the floor, and that not one single member of the Committee on Foreign Relations even tried to answer him, because they could not.

Then I pick up the New York Times of this morning and find that everything Senator Wheeler said was true, and that everything our Committee on Foreign Relations stood for was wrong, that they guessed wrong, sincere as they may have been. From this morning's newspaper we discover that in England yesterday Churchill and Bevin were in a debate. I read from the New York Times of yesterday:

Mr. BEVIN. It began with the declaration at Casablanca of unconditional surrender on which the British Cabinet, or any other cabinet, never had a chance to say a word.

Where was our Committee on Foreign Relations then?

But it did leave us a Germany without a law, without a constitution, and without a single person to deal with, and without a single institution to grapple with the problems. We have had to build absolutely from the bottom with nothing at all. We have had to build a state with 20,000,000 displaced persons scattered about the whole show.

Looking back on it, I think how those military commanders—to whom I cannot pay too great a tribute—and their political advisers were left with a shambles in the creation of the Germany which they have handed on to the politicians today.

Mr. CHURCHILL. The first time I heard that phrase—unconditional surrender—used was from the lips of President Roosevelt.

Mr. BEVIN. That justifies what I said. I do not complain. But you will admit I took

my share of every decision in the coalition cabinet and I never heard of that phrase until I saw it in the press, but if it had ever been put to me as a member of your cabinet, I should never have agreed to such a thing. I took it as it was and it is rather bad for the opposition to criticize me now when I am left with such a shambles.

Mr. CHURCHILL. It was made by President Roosevelt without consultation with me. I was there on the spot and I had rapidly to consider whether our condition in the world would justify me in not giving support to him.

I did give support but it was not the idea I had formed in my own mind. If the British Cabinet had considered these words around the table, they would have advised against it. But working in a great alliance and with friends from across the ocean we had to accommodate ourselves. But I cannot think that great harm came from that particular phrase.

(Several Government supporters muttered, "Oh, no.")

It is a matter of total indifference to me whether you agree or disagree; but I am not at all satisfied that it produced very evil consequences. But I do not think on the whole that it is a phrase which we in our cabinet would have used.

I would not have arisen on this matter had not Mr. Bevin, feeling so uneasy about criticism—from the conservatives—plunged back across the years of history of the war and touched upon some very large and important matters affecting our relations with the United States with a view of throwing a burden on me personally. Otherwise there could have been no point because I was the person responsible in these matters.

The phrase "unconditional surrender"—

Mr. President, I shall show to the Senate how former Senator Wheeler begged and pleaded on the floor of the United States Senate that we get rid of the phrase "unconditional surrender." He told the Senate exactly what would happen if we persisted; that Germany would become the balance wheel, would be the deciding point between England and Russia in Europe. I shall read what Senator Wheeler said in a little while.

I continue to read from the proceedings in the House of Commons:

The phrase "unconditional surrender" was not brought before me or agreed to in any way before it was uttered by our great friend and august and all-powerful ally, the President of the United States. But I did agree with him after he said it, and so reported to the Cabinet. Whether, if we had all discussed this at home, we should have proposed such a plan is another matter.

Still, we accepted the position, as he thought it right to do. I cannot feel there can be any separation of responsibility between us in the matter, having regard to the long years in which we subsequently acted together.

Mr. Bevin used the episode to suggest that the difficulties in Germany were greatly aggravated by the use of this phrase. I am not at all sure that is true.

I am not at all sure that unless Hitler had been murdered by some of the plots levied against him, by men I can only call today patriotic Germans, the situation would have changed. He had the strength and vigor to carry on the fight—as it was carried on—to the last gasp. He and the band of guilty men around him were in a position where they could not look for any pardon or safety for their lives and would have fought to the death.

I have been rather seriously criticized by Mr. Bevin who tried to throw all the discredit of unconditional surrender on me. If he

did not mean that, he did not mean anything, because he is vexed with what was said here.

There was another matter to which Mr. Bevin referred, about which I do not feel so confident in my conscience about the judgment of my actions. That is the Morgenthau [Henry Morgenthau Jr.] agreement at the second [Quebec] conference.

It was initiated by the President and by me, and it undoubtedly proposed a treatment of Germany which was a harsh treatment in that it limited her to an agricultural country. But that was not a decision taken over the heads of the Cabinet. It was not one that ever reached the Cabinet because it was only a referendum and it was disapproved by the State Department, on the one hand, and by my friends, and the Foreign Office on the other, and it just dropped on one side. It never required a Cabinet decision or had any validity of any kind.

I did not agree with this paper for which I bear, nonetheless, a responsibility, but when you are fighting for life with a fierce enemy I feel different toward him to what I do when that enemy is beaten to the ground and suing for mercy. Anyhow, if the document is ever brought up to me I shall certainly say that I did not agree with it and I am sorry I put my initials to it. I cannot do more than that, but many things happened with great rapidity. But to say it was done over the heads of the Cabinet is quite untrue.

These two matters were dragged in in order to justify Mr. Bevin in pursuing the policy of dismantling, and the trials of the German generals. I do not think he need have brought such heavy artillery back from the past to fire on such matters. I do not put the case with hostility against him.

Mr. Bevin replied:

I hope the House will allow me to make an explanation. In the first instance, with regard to unconditional surrender, I want the House and Mr. Churchill to be clear what I was saying about the use of that phrase meant that the whole constitution was smashed and military governors and the governments of the Allies have had to build right from the bottom and I did not think that the criticism of Mr. Churchill was justified. He did not take that into account.

Mr. President, here we find Mr. Churchill admitting he initialed the Morgenthau "piece of paper," as he calls it. We find him saying that insistence upon unconditional surrender was wrong. So I want to go back to what Senator Wheeler said upon the Senate floor on January 15, 1945. How well I remember that day. Senator Wheeler rose, and Senator after Senator walked out of the Senate Chamber. Senator Wheeler referred to the fact that he was called an isolationist and that he was hated. Among other things he said:

Mr. President, as I understand the past record of purposes set down by ourselves and our allies, we are not fighting this war to impose a peace of vengeance upon a conquered people. It is inconceivable to me that the American people would tolerate for one moment any such brutal and savage proposals as those designed by Secretary Morgenthau for the ultimate treatment of the German people or the German nation. Let me repeat what I have said on so many other occasions, that in holding this position I hold no brief for the Nazi brutality, the Hitlerian bestiality and savagery. What I do hold is that such terms will never in a thousand years bring peace to Europe or to the world. Whatever our desires with reference to Germany may be, what we must ultimately consider is not merely what we would like to do in our madness with reference to

the German people but what will bring about lasting peace in Europe and throughout the world. Of course, when passions are running high in this country, the popular thing to do is to let madness and hatreds run away with sound judgment; but we must look beyond all that. We in the United States of America, of all people, we who boast of our intelligence and our tolerance, must consider not what we would like to see done but what will be the best for the future of our own country and of the world. What I believe is that for the United States Government to permit the continued use of the basic proposals contained in the Morgenthau "brain child" as representing America's ultimate war and peace aim would cost thousands upon thousands of American lives, as well as the lives of our allies.

That is exactly what happened, Mr. President. Thousands and thousands of boys are dead today because of the slogan "unconditional surrender," which we now find being admitted in the House of Commons as having been wrong.

Senator Wheeler continued:

Mr. President, I have read a letter from a soldier boy in France which he had written to his uncle, a Texas businessman. I am sorry I do not have the letter with me. In it the boy said, in effect, "The demand for unconditional surrender and Morgenthau's statement are making these Heinies fight like hell from ditch to ditch." A soldier, recently returned from Italy, who was in my office the other day told me practically the same thing.

Mr. President, I believe that in lieu of any basic agreement among the conquerors as to the ultimate treatment of Germany, a continued use of such proposals will only lead to slaughter and carnage. Out of this will arise a savage underground movement over which both of our allies, Great Britain and Russia, will struggle for favor or control. If we do not want Germany ultimately to win this war by holding the real balance in the struggle for the control of Europe between Britain and Russia, if we do not want ourselves sucked into the political, economic, and social vacuum which will exist in Europe when the fighting finally stops, we ought now to agree upon constructive and curative measures.

Senator Wheeler got absolutely nothing. Senator Wheeler continued, at another place:

On January 4, 1939, President Roosevelt warned this Nation that: "In a modern civilization, religion, democracy, and international good faith complement each other. Where freedom of religion has been attacked the attack has come from the sources opposed to democracy. Where democracy has been overthrown, the spirit of free worship has disappeared. And where religion and democracy have vanished, good faith and reason in international affairs have given way to strident ambition and brute force."

He was speaking not only of Germany but of Russia as well.

Senator Wheeler continued:

If we remember that Germany and Russia were engaged jointly in liquidating Poland and extending their spheres of influence when the following statement was made, we shall have a clearer understanding of its significance. Germany did not attack Russia until June 22, 1941. Two months earlier, on April 24, 1941, the former Secretary of State, Mr. Hull, replied to those who were asking whether peace could not be made with the dictators.

By the way, Mr. Hull also did not agree with the Morgenthau plan. He came out openly and stated that he was op-

posed to the slogan "unconditional surrender."

Mr. Hull replied to those who were asking whether peace could not be made with the dictators.

Senator Wheeler continued:

The following statement was directed not only against Hitler, but at Stalin as well. I quote:

"I wish it were possible. But one obstinate fact stands in the way. One of the contending groups not only does not wish peace, as we understand peace, but literally does not believe in peace. That group uses the word, it is true—as it was used by the aggressor at the time of the Munich arrangement of 1938. Peace to that group is merely a convenient cloak for a continuing undeclared, undercover war, as France and many other nations to their misery have discovered. Behind the deceptive protection of the word "peace" the rulers of that group accumulate vast striking forces. They infiltrate shock troops disguised as peaceful travelers and businessmen. They set up organizations for spying, sabotage, and propaganda. They endeavor to sow hatred and discord. They use every tool of economic attack, bribery, corruption, and local disturbance to weaken the countries with which they are at peace until a military movement can easily complete the task of subjugation. That kind of a peace is nothing more than a trap—a trap into which many nations fell in earlier phases of this movement for world conquest when its true nature was not understood. Indeed the dictator nations make no secret of their plans. They scornfully state their ideas, arrogantly confident that the law-abiding nations will not take them seriously—until it is too late successfully to resist them."

On June 22, 1941, when Germany marched against Russia, Mr. Churchill said in offering aid to the beleaguered Soviets:

"No one has been a more consistent opponent of communism than I have been in the last 25 years. I will unsay no word that I have spoken against it."

Senator Wheeler continued:

It is not unrealistic for me to warn of the tragic consequences to our civilization if this war ends up in a struggle for the domination of Europe by one or two great powers. It is not unrealistic for me to protest the continuation on the part of my own Government and my own people of policies which our whole history proves will lead to disaster.

Now we have it, Mr. President. Every country is broke. Were ever words more prophetic than those of Senator Wheeler upon that occasion? Now, after we have given them many billions of dollars, we are going to give them \$6,000,000,000 more. Mind you, these are the same people who, after World War I made fun of Mr. Wilson. They not only made fun of him, but were so obnoxious that four of the men who went with Mr. Wilson resigned from the Peace Commission, Lansing being one of them. The French and English were not concerned about a decent peace at that time.

Senator Wheeler continued:

There are those who are irritated that I should continue to fight against the extension of power politics, both actual and threatened, into the so-called peace. They want to get on with the bloody business and be done with this folderol. To them again I say for us such a course is sheer madness. This would mean that we would have to start immediately playing power politics according to the 1945 pattern. We

would be compelled to organize resistance groups and to interfere in the internal affairs of governments and nations with brute force the world around.

How true, Mr. President. Only a few months ago the distinguished senior Senator from South Dakota [Mr. GURNEY] stood upon the floor of the Senate advocating universal military training and selective service, to send troops to every country in the world except Australia. That was exactly what Senator Wheeler was talking about on January 15, 1945.

At the present time we have a small but brave group in the Senate, headed by such brave men as the Senator from Utah [Mr. WATKINS], the Senators from Missouri [Mr. DONNELL and Mr. KEM], and others, reasoning as Senator Wheeler did in 1945. We have seen the same smugness which we have previously witnessed on the part of certain Senators who have not been informed about secret commitments, and do not know anything about them. I remember that when the President came back from Europe and addressed Congress he stated that there were no secret commitments. Afterward we found that there were. No Senator who voted here yesterday knows anything about secret commitments. We tried to find out a few months ago. Even the distinguished Senator from Michigan [Mr. VANDENBERG], ranking minority member of the Committee on Foreign Affairs, stated on the floor of the Senate at that time that he did not know about any secret commitments.

The junior Senator from New York [Mr. DULLES] says we must have Germany. How badly they want Germany now. Do Senators remember when the war was over, when 33,000,000 Americans of German ancestry wanted to hear about their fathers and mothers in the old country? They could not even send a letter. Month after month went by, and they could not even send a letter. Thirty-three million Americans of German ancestry could not send money over to their starving kinfolk.

Finally we got a resolution through the Committee on Post Office and Civil Service providing that an American citizen could send money, clothing, or food to his relatives across the water. That resolution was held up month after month by the Foreign Relations Committee of the Senate. It was referred to a subcommittee. So far as I know the subcommittee has not reported to this day. At long last we got the Post Office Department to allow 22 pounds to be sent in one package. In the month of October last year the American people sent 41,000,000 pounds in 1 month. That is what the American people thought about the attitude of our Government. So far as I know, the Foreign Relations Committee did nothing about it.

On January 15, 1945, the distinguished Senator from Florida [Mr. PEPPER] propounded a question to Senator Wheeler:

Mr. PEPPER. The second question is, Does the Senator see no distinction between the character and the location of the Russian Government and the Russian people, and of Germany, with respect, for example, to the

danger to this country they might constitute as a dominant power in Europe?

Senator Wheeler replied:

Mr. WHEELER. I shall take that up; I am coming to it, and I have the answer to the Senator's question. It is not my answer to it, but the answer given by the British themselves—what they think about it.

It is not unrealistic for me to warn of the tragic consequences to our civilization if this war ends up in a struggle for the domination of Europe by one or two great powers. It is not unrealistic for me to protest a continuation on the part of my own government and my own people of policies which our whole history proves will lead to disaster.

There are those who are irritated that I should continue to fight against the extension of power politics, both actual and threatened, into the so-called peace. They want to get on with the bloody business and be done with this fol-de-rol. To that again I say for us such a course is sheer madness.

This was said 4 years ago.

This would mean that we would have to start immediately playing power politics according to the 1945 pattern. We would be compelled to organize resistance groups and to interfere in the internal affairs of governments and nations with brute force, the world around. We would have to start annexing territories, changing boundaries, deporting or liquidating populations—

Mr. President, 5,000,000 white people were doomed to slavery by the agreement at Potsdam. What a prophet Senator Wheeler was—

and defying the will of masses of people among our friends and enemies alike. We would have to go in for bigger and more horrible concentration camps, newer and more terrible G. P. U.'s and Gestapos, suppressing all news and communications, distorting truth, and fouling our sacred honor, until, struggling to hold high the ever-weakening hands of Britain, we finally came to death grips with Soviet Russia. If we really want to commit national suicide, that is the road down which to travel from here on out.

Surely my colleagues have not forgotten the slogan of "All aid, short of war, to our allies." On December 29, 1940, the President set the theme for America's role as the arsenal of democracy when he said:

"In a military sense Great Britain and the British Empire are today the spearhead of resistance to world conquest."

Sir Harold MacKinder, in founding the science of geopolitics during the last war, issued the solemn warning of what would happen to England if any nation finally succeeded in annexing Poland. His thesis is simply this: Whoever would control Europe must control eastern Europe, the key to which is Poland. Whoever controls Poland controls eastern Europe. Whoever controls eastern Europe controls Europe. Whoever controls Europe controls the great Eurasian island, and the world.

Mr. President, I quote from an article printed in the September 1943 issue of the Nineteenth Century and After. The editor, Mr. F. A. Voigt, said:

"To be master of eastern Europe is, therefore, to be master of all Europe. If England were to abdicate in eastern Europe, she would be abdicating in all Europe. Such a policy would lead to her isolation; it would destroy the British ascendancy in the Near and Middle East. It would, by placing the Balkans and the Straits under the domination of one power, bring the British command of the Mediterranean to an end. It would isolate Turkey and eliminate British influ-

ence in Iraq and in Iran, and threaten the security of India and of the Persian Gulf. It would compel England to reconsider her attitude toward Germany."

Mr. President, there are those who are now so heartily sick of the terrible problems and conflicts arising out of this war, into which they so idealistically precipitated America, that they are openly urging that we let Europe fall into the hands of Stalin. Perhaps that would be best from our standpoint. They argue in this vein, "England and France have never been able to prevent the outbreak of war in Europe. Let Stalin try his hand." To them I would say, in the words of another, they "are now willing to settle for a nickel on a dollar and they are not so sure but what even the nickel is plugged." Certainly if America wants to gain the everlasting enmity of 350,000,000 people in Europe, and not only in Europe but throughout the world, this is the way to do it, because if we agreed to such a suggestion what people on the face of the globe could have any faith or confidence in anything the American people might ever say or ever do?

There are those, on the other hand, Mr. President, who declare that Mr. Stalin has changed his tune and his intentions. Say they, "Mr. Stalin does not want to take over Europe. He has too much else on his hands and mind." To them I would say this is the most unrealistic interpretation of the history I have documented that could be imagined. Whether Mr. Stalin has changed his mind or not, the fact remains that the present situation in Europe is disintegrating morally, socially, and economically and politically to such an extent it is now obvious that the whole tragic European situation has gotten out of hand. Europe is being forced into Mr. Stalin's embrace whether he wants it or not. Compare the scene that now confronts us in Europe with the picture drawn by President Roosevelt on the Axis "now order," when he said on December 29, 1940:

"The proposed new order is the very opposite of a United States of Europe or a United States of Asia. It is not a government based on the consent of the governed. It is not a union of ordinary, self-respecting men and women to protect themselves and their freedom and their dignity from oppression. It is an unholy alliance of power and pelf to dominate the human race."

Again I say, Mr. President, it is my studied conviction that whether we or our allies have deliberately intended such an outcome to this war or not, for us to continue down the road we are going will make such an outcome inevitable. Certainly no more personal parleys on the part of three men, no more secret agreements, no more secret or open extensions of spheres of influence, no more identification of our desperate military necessities with ulterior political purposes on the part of ourselves or of our allies can possibly correct the present mortal errors we are now committing.

SIX-POINT STATEMENT OF PEACE AIMS

Mr. President, I desire at this time to urge upon my colleagues with all the strength of conviction at my command support of the principles contained in the resolution (S. Res. 8) submitted by me on January 6, 1945, as embodying the bases upon which a peace of decency, justice, and sanity can be salvaged from this terrible war.

The first principle reads as follows:

"The adoption of a universal bill of rights to safeguard the inalienable rights of every individual regardless of race, class, or religious belief."

Mr. President, I am certain that in urging the acceptance of this principle I am not speaking in behalf of a "discredited minority." I hold in my hand a map titled "Movements of Non-German Populations in Europe," published by the International Labor

Office, Montreal, Canada, in 1943. Herein is contained a general outline of the most terrifying and staggering mass deportation, evacuations, and repatriations that history records. The fate of millions is at stake.

On August 14, 1944, the American Jewish Conference, consisting of delegates from 63 Jewish organizations, in a memorandum submitted to Secretary of State Stettinius, urged the incorporation of an international bill of rights in any postwar security system that the four-power parley at Dumbarton Oaks might conceive. The memorandum pointed to "the total disregard of civilized concepts, of individual human rights on the part of some states," and asserted that "herein lie the roots of the international anarchy that contributed to the assault of the Axis Powers on the civilized world."

On October 7, 1943, the Federal Council of the Churches of Christ in America, the National Catholic Welfare Council, and the Synagogue Council of America issued a joint statement titled "Pattern for Peace," the second principle of which declares:

"The rights of the individual must be assured—the dignity of the human person as the image of God must be set forth in all its essential implications in an international declaration of rights and be vindicated by the positive action of national governments and international organization. States as well as individuals must repudiate racial, religious, or other discrimination in violation of those rights."

Recently the American Jewish Committee issued a statement containing a six-point declaration of human rights that urges promulgation of an international bill of rights to guarantee individual liberties throughout the world. This statement has been signed by 1,326 distinguished Americans of all faiths. Vice President Wallace, Supreme Court Justices Roberts and Murphy, A. F. of L. President William Green, CIO President Philip Murray, Gov. Thomas E. Dewey, and Sidney Hillman, as well as numerous Senators and Representatives and 348 church leaders are listed among the signers.

Mr. President, this map to which I have referred indicates that not only Germany but also our associate Russia has been responsible for the tragic plight of vast numbers of so-called liberated peoples. Among the deportations attributed to Russia we find the following: 61,000 Estonians, 60,000 Latvians, 66,000 Lithuanians, and 1,500,000 Poles, Jews, and others from Poland, all of whom have been forcibly removed from their homes and their countries. From the meager reports that trickle through to us from Russian-occupied territories, we know only too well that under the present armistice terms now being forced upon the countries of eastern Europe, one by one, thousands upon thousands more human beings are being subjected to the terrors of a ruthless conqueror. Let us remind ourselves again of what Woodrow Wilson said, "No right exists anywhere to hand peoples about from potentate to potentate as if they were property." Unless there can be reestablished immediately a minimum of humanitarian principles to which the Allies will pledge themselves as a basis for rectifying the evils already committed, this war will prove a hideous mockery so far as liberation of the suffering people of Europe is concerned. There can be no better way to assure the world of the integrity of Russia's intention toward liberated people than for Mr. Stalin to act now in the name of the Russian people in order to hasten the realization of simple and basic humanitarian laws upon which to rebuild the social order of Europe. Certainly, we are convinced that the European peoples take no greater delight in ruthless treatment, inhumanities, or murder, whether perpetuated by ourselves or our allies, than they take in Nazi atrocities. Would it be too much to

expect that they were entitled to something more from their liberators? Personally I am convinced there is no possible moral ground upon which Americans can condone their associates and allies for doing what they condemn in others.

The Washington Post of December 13 carried an Associated Press dispatch of December 12 from London, which reads, in part:

"There is a growing belief in diplomatic quarters that Russia's proposals, when presented to the European Advisory Commission, would suggest that several million Germans be sent to the Soviet to help in the reconstruction of that country."

I am informed that at least under Nazi occupation the Polish people carried on a desperate underground opposition to their conquerors, but that under the alleged Russian liberation even a great many of the underground forces have been liquidated or sent to concentration camps.

Surely the fanatical German resistance now adding to the already terrible casualties of our own American boys is not lessened by the realization of the fate being visited upon one of our allies by another alleged ally even before the war is over.

At another point Senator Wheeler said:

If the Senator—

Referring to the senior Senator from Illinois [Mr. Lucas]—

is familiar with the resolution and has read it, he would know what it proposes is to have the United States Senate go on record as favoring the things it sets forth. I felt, and feel now, that if the United States Senate went on record as favoring these things, it would have a profound effect upon Russia and I hope it would have a profound effect upon England, and the British Empire.

On February 22, 1944, the Times, of London, said—and I should like to call the attention of the Senator from Illinois to this:

"Unless shattered and dismembered Europe can find some new vision that looks forward rather than back, some leadership bold enough to survey her needs and problems as a whole, the civilization will surely perish. To blot out Germany from among the nations of Europe would be neither practical nor morally acceptable to the civilized world. Germany cannot be allowed to become a cancer at the heart of the European organism."

The London Times is probably the most influential publication in England and is generally recognized as speaking for the British Foreign Office.

On March 26, 1944, the Archbishop of Canterbury and free church leaders in England offered an eight-point program for peace and a warning against "breaches of basic human rights in dealing with Germany." Said they:

"We must not lend ourselves in a mood of vengefulness to breaches of basic human rights or the punitive measures against the entire German people, which will be repudiated as unjust by later generations or will permanently frustrate hopes of peace and unity in Europe."

On June 1 Pope Pius XII, who, I presume, was speaking for a "discredited minority," declared:

"No just peace can be reached if the victor would by force of arms dictate the terms. A just policy has to give the defeated nation a dignified place."

On June 26 Mr. Raymond Moley wrote:

"The trouble with unconditional surrender as an objective is that few Americans or Britons really believe that surrender can be without conditions, while to Germans the slogan means that there will be no distinctions in punishment among the elements in Germany. To them it means that the Nazi Party, the army, and the mass of the people

are to suffer equally, which can have no effect beyond tying together 80,000,000 Germans in a desperate unity."

On July 29 the London Economist carried the following warning:

"Unconditional surrender is becoming a policy of drift, of wait and see, of reliance on what may turn up. But the drift of events may carry Germany, Europe, and the grand alliance itself to a very different conclusion from the one the Allies desire. It may carry them to a military stalemate or prolonged fighting, and then to divided counsels and Allied disputes. No policy for Germany means no policy for peace."

Of course, in the mind of the Secretary of State, the London Economist speaks for a "discredited minority."

Senator Wheeler also said:

In the same month of July the National Opinion Research Center of Denver University polling the 48 States on the subject of whether Americans should help to put Germany back on her industrial feet, even at the cost of continued rationing at home, reports that 64 percent or nearly a two-thirds majority of the American people, believe we should follow this course. The research center comments:

"They hold this view because, in the long run, this country would benefit from such a policy, and because the announcement that such help would be forthcoming might speed the German surrender."

I presume the 64 percent, according to the National Opinion Research Center of Denver University, represents a discredited minority.

I quote from a war correspondent of the New York Sun, Gault MacGowan, who wrote as far back as August 14:

"Our terms to Hitler are unconditional surrender, and only that prevents a military demand for an armistice. Despite the drastic bombings of German cities, the destruction of thousands of German homes and buildings, and the anxiety of the German people to see the end of the war, the Gestapo won't let them demonstrate for peace or raise a questioning voice against their Fuehrer's unchallengeable wisdom. Such are my impressions of the situation tonight. It is no longer a military problem but a political one."

Not only has this man said that, but I have talked with military leaders in this country who have said identically the same thing.

Life magazine on August 21 carried the same message from John Scott, a Time and Life correspondent:

"The future looks blacker day by day but those inside Germany who want peace and not national suicide are hindered rather than helped by the Allies. The Anglo-American attitude is still expressed by our determined adherence to the unconditional surrender formula, with which has been coupled a reluctance to make any concrete promise to any German opposition group. As a result, the complaint is made that any opposition group attempting to overthrow Hitler and make peace with western powers has no basic program on which it can talk convincingly to the German people. The Russians on the other hand, indirectly offer the German people that Germany won't be destroyed and that the German Army won't be destroyed. It has resulted in a pro-Russia orientation among a growing number of Germans who, all other things being equal, would be much more inclined to be pro-Anglo-American and pro-democratic."

Mr. President, I may say that only 2 months ago in New York City, I met with twenty-odd leaders of German industry who were sent to the United States by General Clay. I asked them what their

opinion of conditions in Germany was. They said, "When the war was over, the Americans were considered in the light of welcomed heroes, and the people liked them. But today it is just a fifty-fifty proposition."

Mr. President, I am not going to quote from Dorothy Thompson and other columnists and writers whose articles are here, but I simply want to say it is significant that immediately after Senator Wheeler concluded upon that occasion, other Senators took up the same line of argument, the senior Senator from North Dakota being one of those who felt as Senator Wheeler and some of the other Senators felt.

On March 26, 1949, speaking at a testimonial dinner, sponsored jointly by the National Council of Clergymen and Laymen and the Pastorius Unit of the Steuben Society of America, I said:

Four years after the end of the war, we find ourselves further away from the attainment of peace than ever. We are definitely moving in the wrong direction.

What else could we expect? For the past decade, the American people have allowed two American Presidents to make a miserable mockery of our constitutional prohibitions against secret foreign agreements.

How well I remember that President Wilson came out for pitiless publicity. How well I remember that he was acclaimed all over the United States. I suppose President Wilson was at the very height of his power, certainly he was at the peak of his popularity, when he demanded pitiless publicity and an end to secret diplomacy.

I further said:

In addition, an aroused opposition has been paralyzed and intimidated by vicious propaganda. That is why the American people have permitted three national political campaigns to go by without compelling the political leaders of either party to make these outrageous Presidential betrayals of American principles a central campaign issue.

As a result, for years now Congress has been pressured into signing blank checks, which have been filled in by the outrageous betrayals of power politicians and which are going to have to be redeemed by what remains of America's blood, treasure, and tradition, if the American people are not aroused to immediate action.

The most terrifying proof of this fact lies in America's outrageous treatment of the vanquished German-speaking peoples.

How well I remember the speech made by President Roosevelt on October 23, 1943, in which he said, "We are not fighting the German people. We are not fighting the German women or the German children. We are fighting Hitler. As soon as Hitler is defeated we are going to take care of these people. I believe that when the President made that statement, at that time, he actually spoke in good faith. Anyone who reads Cordell Hull's memoirs can come to no other conclusion. I suggest that if any Senator has not read that book he should read the part of it dealing with what can only be denominated as the outrageous, betrayal of Henry Morgenthau, Jr., which was referred to yesterday by Mr. Churchill when in the House of Commons he said he was sorry he initialed the Morgenthau agreement.

I continued:

If American statesmen had deliberately designed these policies to betray western civilization into the hands of Russia, they couldn't have done a more effective job. They permitted the savage Morgenthau plan to be imposed on Germany—a plan that was conceived in vengeance and dedicated to the proposition that all German men, women, and children are guilty of the most heinous crimes until they can prove themselves innocent before a stacked jury. They permitted the destruction of Germany and the abandonment of the German underground in order to turn Russia loose as the major victor power in control of Berlin. At the same time they permitted our American soldiers and military government to be trapped in a virtual Russian prison.

These same leaders did not even provide safeguards for American occupation forces either to get in or to get out of Berlin. Instead, they blundered us into a position where the American taxpayer has been spending a billion dollars a year to carry out these outrageous agreements. Magnificent as the Berlin airlift is, its tremendous cost is the result of these terrible blunders. In the process these American leaders have flaunted their power in the face of the American people.

Mr. President, the truth of what I have consistently said in my denunciation of secret diplomacy during recent years now stands out clearly before our eyes, in all its terrifying ugliness.

The consequences of the secret commitments that were made during and since the end of the war by two American Presidents, behind the backs of the American people, without the knowledge, advice, or consent of any of their elected representatives in either House of Congress, have now become such a nightmare that anyone who has had anything to do with them is either now scurrying for cover behind their blame throwers, which they are pointing at others, or scrambling like rats to desert the sinking ship they helped to scuttle.

The crisis we confront, Mr. President, is far too grave to indulge in personal recrimination, for the whole future of western civilization hangs in the balance; but a man would be derelict in his duty if he did not continue to point out, and bitterly protest against, the basic evil that is involved in the practice of secret diplomacy—an evil which even now continues to gnaw away at the last roots of the human dignity and freedom we are seeking to preserve.

Mr. President, to me it is significant that those leaders, Senator La Follette, Senator Shipstead, and Senator Wheeler, on the 19th day of December, were singled out by Sidney Hillman in an interview in the Minneapolis Tribune, in the course of which he said those three men had to be defeated at all costs in the coming election, and he and the CIO were dedicating themselves to see to it that Mr. La Follette, Mr. Wheeler, and Mr. Shipstead did not come back. I may say I also was included with the three, and that, of the four, I was the only one who happened to be reelected. It was not because of their labor record that they were not reelected. Who had a better labor record than Robert La Follette? Who had a better labor record than Burt Wheeler or Mr. Shipstead?

No, it was not the matter of their labor records. It was the attitude these men took on the questions I have been discussing.

I repeat, Mr. President, the Senate voted yesterday without knowing anything about the secret agreements which were entered into, the production of which we demanded, time and again, upon this floor. I repeat, I sat in the Senate when President Roosevelt returned from Yalta. I heard him say there were no secret agreements. Afterwards, we found them. I suggest that Senators read the book written by James M. Byrnes. Later, we had Potsdam—5,000,000 white people sold into slavery—20,000,000 more, said Mr. Bevin yesterday in the House of Commons, expelled who came into the American, British, and French zones from the countries Mr. Stalin took over.

Mr. President, so far as the \$6,000,000,000 ECA loan is concerned, I stand with Roosevelt, as shown by his letter to Patrick Hurley, which I read, in which he said, "We are not giving this money to Iran; we are loaning it to her." That was the policy of Mr. Roosevelt, which, among other things, was abandoned.

How well I remember when the Export-Import Bank was organized, and when we voted to give England \$3,300,000,000 more. It was said, "They can borrow this money and give security." But when the late Senator Lundeen, of Minnesota, suggested that Britain turn Bermuda over to us, or that we buy Bermuda, he told me he was almost hooted out of the city of Washington at the idea of having England turn over anything in exchange for that money.

Mr. President, I refer not just to the evil of secret diplomacy—not just to the lack of honesty and integrity on the part of those leaders who indulge in it—I refer to the fact that when the disastrous consequences of the policies that underlie commitments made on the basis of political expediency are clearly demonstrated, no one, who has been a party to them, dares to admit the fact by courageously taking the lead in an attempt to salvage what he can—to make amends—and to correct the glaring blunders that have been made.

And so, Mr. President, the tragedy is these disastrous consequences, and the insanities that underlie it, continue on their mad rush unchecked.

Mr. President, we are now inescapably confronted with overwhelmingly conclusive proof of the folly of the course we have been pursuing in central Europe—particularly in Germany—both during and since the end of the war.

And this folly is born of the fear that is generated in the minds of the American people by a minority in control of this Government, which seized the bit of unchallengeable power and has run unchecked on the maddest race of international diplomacy ever engaged in by American statesmen. In defiance, Mr. President, of the lessons of history, of economic and sociological laws, and moved, Mr. President, by an irrational thirst for vengeance; those who have been responsible for this catastrophe have smeared and slandered, or deliber-

ately sought to assassinate the characters and destroy the economic and political future of anyone who sought to halt them in their course.

Mr. President, at this time I ask unanimous consent to have printed at this point in my remarks the article that appeared this morning in the New York Times, dealing with the fight made by the late Senator Burton K. Wheeler, in his endeavor to get rid of the slogan "unconditional surrender" and his attempts to have the Morgenthau policy of starvation altered.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"SURRENDER" STAND SURPRISE TO MANY—WARTIME MEMOIRS SHOW HULL, OTHERS JOINED CHURCHILL IN OPPOSING ROOSEVELT POLICY—MORGENTHAU LINK IS SEEN—DEINDUSTRIALIZATION PROPOSAL FOR POSTWAR GERMANY CONFUSED WITH PLAN OF PRESIDENT

(By Felix Belair, Jr.)

WASHINGTON, July 21.—Winston Churchill's surprise and distaste for the "unconditional surrender" policy adopted by the Allies in World War II was shared by former Secretary of State Cordell Hull and not a few others in the wartime administration of President Roosevelt.

In his memoirs on that phase of wartime policy, Mr. Hull wrote:

"Originally this principle had not formed part of the State Department's thinking. We were as much surprised as Mr. Churchill when, for the first time, the President, in the Prime Minister's presence, stated it suddenly to a press conference during the Casablanca conference in January 1943. I was told that the Prime Minister was dumbfounded."

Mr. Hull wrote that the British Foreign Office asked that the term "unconditional surrender" be avoided pending further reflection, and that the expression "prompt surrender" be employed instead.

CHURCHILL WAS ABSOLVED

That the policy was entirely that of President Roosevelt also is confirmed by Robert E. Sherwood in his book *Roosevelt and Hopkins*, where the author recorded that the President completely absolved Mr. Churchill of any responsibility for the position announced at Casablanca.

Former Senator Burton K. Wheeler, of Montana, who was one of the most outspoken in his opposition to the policy and called for its abandonment as "a brutal and costly slogan," was among those whose memory of the circumstances was still fresh.

He remembered having been accused publicly by former Secretary of State Edward R. Stettinius, who succeeded Mr. Hull, with having encouraged the enemy to hold out for a negotiated peace. Mr. Wheeler had argued in a radio address that the Axis powers were being encouraged by the policy of unconditional surrender to fight on in hopes of avoiding the implied results.

"What I said about unconditional surrender at the time has been proved entirely correct," said the former Senator, now engaged here in the private practice of law.

WHEELER TELLS OF PROPOSAL

It was Mr. Wheeler's contention in the discussion, he recalled, that the "unconditional surrender" policy would needlessly cost the lives of thousands of men before Germany was finally subdued. He said he had proposed that the President tell the German people in unmistakable terms what he wanted, just as Woodrow Wilson had hastened the end of World War I by his 14 points.

In recounting the incident today, Mr. Wheeler said he had urged the President to

call for a United States of Europe, or some similar postwar program that "would have many of the 500,000 men that Jimmie Byrnes said it might cost for a successful invasion of Europe."

Although the two policies were never officially connected, that of unconditional surrender came to be linked in the minds of many in and out of government at the time with the so-called Morgenthau plan (of Henry Morgenthau, Jr., then Secretary of the Treasury), for the deindustrialization of Germany and its reduction in the postwar period to the status of a pastoral state.

The latter plan was not brought forth until the Quebec conference of the big three late in 1944. However, it was generally understood at the time that the two policies went hand in hand and that the one was a natural outgrowth of the other, no matter which came first in publication.

CRITICISM OF MORGENTHAU PLAN

Ultimately, it was the Morgenthau plan that came in for the burden of criticism. Although administration spokesmen inspired reports at the time that it had been abandoned, there was no evidence of it in the conduct of the war or in the development of occupation policy.

It was the unfavorable public reaction to reports of former Secretary Morgenthau's Carthaginian postwar plan for Germany that brought suggestions of its abandonment from administration sources. A cabinet crisis had been in the making ever since Mr. Morgenthau had gone to the Quebec Conference as the chief exponent of that policy while Henry L. Stimson, then Secretary of War, and Mr. Hull had remained in Washington.

Mr. Hull's objection to the plan, and his disapproval of the assumption of management of the entire matter by Mr. Morgenthau and the Treasury, were well known at the time. Also, Mr. Stimson had made plain to a number of persons his resentment and disapproval of, and positive alarm over, the turn the situation was taking, with the encouragement of the President.

For one thing, the unconditional surrender and deindustrialization policies were being used to advantage by German propaganda at home, in the opinion of many Washington officials.

FOUND CAUSE FOR CONCERN

Mr. Wheeler was one of those who found cause for concern in the occupation policy then taking form. He said today that whatever may have been suggested by administration spokesmen on the subject, President Roosevelt never did abandon the Morgenthau concept as a guiding principle for Germany's postwar management.

This was reflected in a statement by Archibald MacLeish, then Assistant Secretary of State, in March 1945, during a radio broadcast with other officials of the State Department on the administration's policy toward Germany and Japan.

"We don't know how long it will be necessary to occupy Germany in order to undo the evil work that has been done there, but we propose to stay with the job until it is finished," Mr. MacLeish had said.

"We believe, however, that something more than the destruction of the physical power of Germany to make war will be required."

It was not until this Government had been confronted with the major responsibility for postwar European reconstruction and recovery that the Morgenthau concept was finally swept away by the compelling necessity of bringing Germany back into the European family as an economic factor, both as a producer and consumer of goods.

Now the occupation has swung to the other extreme. The Marshall plan appropriation bill, to be taken up in the Senate tomorrow, directs a reopening of the entire controversial subject of German reparation

plants with a view to the retention in Germany of additional units for European recovery purposes.

Mr. LANGER. It is tragic to realize, Mr. President, what has really taken place in Germany, just because the facts I have recorded here are true.

Mr. President, it is inconceivable and terrifying to realize that the same insanities continue to underlie our policies toward the German-speaking people in face of the demonstrable proof that those who have been party to the formulation and implementation of these policies, if they are not checked, will go down in history as the grave-diggers of western civilization.

It is not as though, Mr. President, our native patriotism, our love of justice, our sound American common sense, had not sought to prevail.

On January 15, 1945, Senator Wheeler stood on the Senate floor and pointed out, in spite of the scorn and abuse that was heaped upon him, the folly of the course to which we were being committed. At that time—long before the war was over—Senator Wheeler said:

Mr. President, as I understand the past record of purposes set down by ourselves and our allies, we are not fighting this war to impose a peace of vengeance upon a conquered people. It is inconceivable to me that the American people would tolerate for one moment any such brutal and savage proposals as those designed by Secretary Morgenthau for the ultimate treatment of the German people or the German nation. Let me repeat what I have said on so many other occasions, that in holding this position I hold no brief for the Nazi brutality, the Hitlerian bestiality and savagery. What I do hold is that such terms will never in a 1,000 years bring peace to Europe or to the world. Whatever our desires with reference to Germany may be, what we must ultimately consider is not merely what we would like to do in our madness with reference to the German people but what will bring about lasting peace in Europe and throughout the world. Of course, when passions are running high in this country, the popular thing to do is to let madness and hatreds run away with sound judgment; but we must look beyond all that. We in the United States of America, of all people, we who boast of our intelligence and our tolerance, must consider not what we would like to see done but what will be the best for the future of our own country and of the world. What I believe is that for the United States Government to permit the continued use of the basic proposals contained in the Morgenthau "brain child" as representing America's ultimate war and peace aim would cost thousands upon thousands of American lives, as well as the lives of our allies.

Mr. President, I have read a letter from a soldier boy in France which he had written to his uncle, a Texas businessman. I am sorry I do not have the letter with me. In it the boy said in effect: "The demand for unconditional surrender and Morgenthau's statement are making these Heinies fight like hell from ditch to ditch." A soldier, recently returned from Italy, who was in my office the other day, told me practically the same thing.

Mr. President, I believe that in lieu of any basic agreement among the conquerors as to the ultimate treatment of Germany, a continued use of such proposals will only lead to slaughter and carnage. Out of this will arise a savage underground movement over which both of our allies, Great Britain and Russia, will struggle for favor or control. If we do not want Germany ultimately to

win this war by holding the real balance in the struggle for the control of Europe between Britain and Russia, if we do not want ourselves sucked into the political, economic, and social vacuum which will exist in Europe when the fighting finally stops, we ought now to agree upon constructive and curative measures.

Then, Mr. President, having uttered these prophetic words, Senator Wheeler went on to say:

I have made the statement again and again that the demand for "unconditional surrender" has been a mistake. Not only have I said this but so have thousands of other people of high intelligence and of the class you would call interventionists, if you please, or internationalists. I believe that the continued use of the brutal, asinine boast of "unconditional surrender" is costing thousands upon thousands of American lives, is contributing to the deterioration of allied unity, and threatens to lay the foundations for such an impossible situation in Europe that a third world war cannot possibly be averted.

Now, Mr. President, what did the Senate Foreign Relations Committee have to say about this suicidal slogan of "unconditional surrender"? What did the Senate Foreign Relations Committee do to protest? What did it do to prevent the American people from being forced into the role of unwilling accomplices in the crimes that have been committed by this policy of "unconditional surrender"? What does the record show? It shows that not a single voice was raised to support Senator Wheeler in his protest—not a single member of the Foreign Relations Committee joined him in his courageous stand then, or has joined him in the same fight since; and what did the Secretary of State have to say? The record shows that Mr. Stettinius attacked Senator Wheeler with the slurring remark that no one needed to pay any attention to what Senator Wheeler said because "he spoke only for a discredited minority." He was speaking of a man who had been in the Senate at that time nearly 24 years. This representative of the house of Morgan was glaringly exposed by the Nye committee as being one of the agents for Great Britain during the war, making millions of dollars out of munitions. Mr. Stettinius, who was head of the United States Steel Corp., said, after Senator Wheeler had given that patriotic address, "Do not pay any attention to what Senator Wheeler said because he spoke only for a discredited minority."

Yet, Mr. President, even this was a deliberate, downright misrepresentation of the facts, to cover up the vicious designs of another minority that had seized the bit in its teeth and was running away down the road of an abandonment and betrayal of America's traditional principles of decency and justice.

To prove this fact Senator Wheeler read into the RECORD the following grim protests on the part of our most enthusiastic interventionists, which I again want to read into the RECORD at this point in my remarks:

On March 26, 1944, the Archbishop of Canterbury and free church leaders in England offered an eight-point program for peace and a warning against "breaches of basic human rights in dealing with Germany." Said they:

"We must not lend ourselves in a mood of vengefulness to breaches of basic human rights or the punitive measures against the entire German people, which will be repudiated as unjust by later generations or will permanently frustrate hopes of peace and unity in Europe."

On June 1 Pope Pius XII, who, I presume, was speaking for a "discredited minority," declared:

"No just peace can be reached if the victor would by force of arms dictate the terms. A just policy has to give the defeated nation a dignified place."

On June 26 Mr. Raymond Moley wrote:

"The trouble with unconditional surrender as an objective is that few Americans or Britons really believe that surrender can be without conditions, while to Germans the slogan means that there will be no distinctions in punishment among the elements in Germany. To them it means that the Nazi party, the army, and the mass of the people are to suffer equally, which can have no effect beyond tying together 80,000,000 Germans in a desperate unity."

On July 29 the London Economist carried the following warning:

"Unconditional surrender is becoming a policy of drift, of wait and see, of reliance on what may turn up. But the drift of events may carry Germany, Europe, and the grand alliance itself to a very different conclusion from the one the Allies desire. It may carry them to a military stalemate or prolonged fighting, and then to divided counsels and Allied disputes. No policy for Germany means no policy for peace."

Of course, in the mind of the Secretary of State, the London Economist speaks for a "discredited minority."

Mr. WILEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WILEY. I inquire if, to the Senator's knowledge, the term "unconditional surrender" has ever been defined by the President or anyone else in this country?

Mr. WHEELER. The President has not defined it, to my knowledge.

Mr. WILEY. I am wondering if now the President and Stalin and Churchill should define the conditions and say there could be no other conditions, if that would not be equivalent to unconditional surrender, and drastic, although the terms might be quite lenient.

Mr. WHEELER. I cannot answer that, I will say to the Senator.

In the same month of July the National Opinion Research Center of Denver University polling the 48 States on the subject of whether Americans should help to put Germany back on her industrial feet, even at the cost of continued rationing at home, reports that 64 percent, or nearly a two-thirds majority of the American people, believe we should follow this course. The research center comments:

"They hold this view because, in the long run, this country would benefit from such a policy, and because the announcement that such help would be forthcoming might speed the German surrender."

I presume the 64 percent, according to the National Opinion Research Center of Denver University, represents a "discredited minority."

I quote from a war correspondent of the New York Sun, Gault MacGowan, who wrote as far back as August 14:

"Our terms to Hitler are unconditional surrender, and only that prevents a military demand for an armistice. Despite the drastic bombings of German cities, the destruction of thousands of German homes and buildings and the anxiety of the German people to see the end of the war, the Gestapo won't let them demonstrate for peace or raise a questioning voice against their Fuehrer's unchallengeable wisdom. Such are my im-

pressions of the situation tonight. It is no longer a military problem but a political one."

Not only has this man said that, but I have talked with military leaders in this country who have said identically the same thing.

Life magazine on August 21 carried the same message from John Scott, a Time and Life correspondent:

"The future looks blacker day by day, but those inside Germany who want peace and not national suicide are hindered rather than helped by the Allies. The Anglo-American attitude is still expressed by our determined adherence to the unconditional surrender formula, with which has been coupled a reluctance to make any concrete promise to any German opposition group. As a result, the complaint is made that any opposition group attempting to overthrow Hitler and make peace with western powers has no basic program on which it can talk convincingly to the German people. The Russians on the other hand, indirectly offer the German people that Germany won't be destroyed and that the German Army won't be destroyed. It has resulted in a pro-Russian orientation among a growing number of Germans who, all other things being equal, would be much more inclined to be pro-Anglo-American and pro-democratic."

On September 26, 1944, even Mr. Walter Lippmann plainly pointed out that we no longer deal with reality when we talk about whether we shall impose a soft or a harsh peace on Germany. Of course, Mr. Walter Lippmann represents the "discredited" view; but he has been one of the strongest advocates of the President's foreign policy, stronger than almost any other man in this country. He said:

"Imagine the mildest conceivable terms of peace, and Germany will still be an economic ruin, incapable in her existing industrial structure of employing all her people, incapable of supporting a tolerable standard of life. Imagine no loss of territory, no reparations, no military occupation, no interference with the internal administration, and the full benefits of the Atlantic Charter, suppose that the only demand of the Allies is that Germany disarm and that she should not take any steps to rearm for the next 15 years. Postwar Germany would nevertheless be an economic ruin."

On October 11, 1944, a group of members of Parliament, including 26 Labor members, entered a motion in the House of Parliament calling for a Government declaration which would "encourage the emergence within Germany of a new regime, composed of democratically minded persons in whom the United Nations could have confidence so that a settlement of the problems which caused the present conflict in Europe might be reached on the basis of the principles set forth in the Atlantic Charter."

As far back as the early part of this year the personal confidant of the President, Anne O'Hare McCormick, wrote:

"The American Government is silent on every political issue at the moment when as much depends on psychological as on military 'softening.' This war differs from the last in many respects, but in none more than in the apparent determination of the high strategists to defeat the enemy in the hardest way."

On January 3, 1945, Dorothy Thompson, another who supported the President, who was one of the strongest interventionists and internationalists in this country, one of our greatest authorities on Germany and a most intelligent and consistent opponent of the brutal slogan "Unconditional surrender," and who made a speech for the President during the last campaign, wrote as follows:

"There are two conditions under which Germany, as an entity, can surrender. The first is to make clear that a Germany will be left

which is economically capable of life. A Germany that is deindustrialized or loses its industrial provinces or is overcrowded by the evacuation of ten to twenty million Germans into a truncated Reich will be more incapable of sustaining life than Puerto Rico. The second condition under which Germany could surrender is: She could become the ward of an already established world organization, operating along clear and established principles. The surrender of a nation must mean the merging of one's identity, but it cannot happen unless some larger identity exists. A Germany conquered by four powers but not surrendered to any one thing is no answer."

Of course, Dorothy Thompson spends much time in Europe. She knows more about Germany than probably almost any Member of the Senate. I now wish to read extracts from an article by Dorothy Thompson which appeared in the Washington Evening Star of January 8, 1945:

"There have been three major political errors in this war, all arising out of the first one—the discounting of the Atlantic Charter. The second was the interpretation that has accumulated around unconditional surrender; and the third, the failure to produce any reasonable policy for a post-war Europe."

"And what our own Government and some of our publicists have been doing in regard to the Atlantic Charter, since the President's press conference, is most discouraging."

"Elmer Davis, as head of the Office of War Information, must be regarded as official. The other day, on the air he took the line that the Atlantic Charter (like the Ten Commandments referred to by the President) represents only a lofty ideal, 'Nobody ever said it could be put into effect day after tomorrow or even at the end of the war,' are his words. The New York Herald Tribune took, editorially, exactly the same line. * * *

"Mr. Davis' remarks are senseless. The Atlantic Charter is no lofty ideal. It represents what was universally accepted political principle, and to a large extent political practice, before Nazi Germany and Fascist Italy embarked on a counterprogram. * * *

"The unconditional surrender formula has gradually become clothed with concepts that mean the extinction of Germany, as a state, a nation, a functioning economy, and, consequently, as a people. This interpretation has closed every door to forces that might have arisen in Germany to eliminate top Nazis and effect surrender. Those forces existed; they came to a head; in that moment time was of the essence; but receiving no aid in any form, they were lost, and today the leaders are dead."

Dorothy Thompson, again, represents a "discredited minority."

She supported Mr. Roosevelt in the last campaign.

Did anyone listen, Mr. President, to this protest that represented the innate opposition of the American conscience to carrying out a policy that meant the destruction of Germany and western civilization—that meant leaving in the heart of Europe the festering sore upon which even now the virus of communism is feeding and thriving?

No, indeed, Mr. President, not a single member of the Senate Foreign Relations Committee raised his voice. Not a member of the State Department protested, in spite of the fact that on July 24, 1945, Senator Wheeler again read into the RECORD the overwhelming condemnation on the part of the informed American public against the continuation of these policies, as follows:

Mr. President, on January 15, I charged in a Senate speech that the slogan of "unconditional surrender" was a brutal boast which was prolonging the war unnecessarily and costing thousands of additional American

casualties. At that time I quoted in support of my thesis such outstanding personages as the Archbishop of Canterbury, Pope Pius XII, many members of Parliament, Walter Lippmann, Dorothy Thompson, Raymond Moley, Anne O'Hare McCormick, and many others. It has now become perfectly clear that the charge I made is a matter of historical record, a record which I want earnestly to emphasize I am quoting from the prophet's mouths of our ardent interventionists.

Immediately following my speech of January 15, the New York Times of January 17 admitted in its leading editorial:

"The criticism (of unconditional surrender) is futile because that formula is the chief point of agreement between the Big Four, the United States, Great Britain, Russia, and China, and must be the starting point for any further agreements among them."

The same editorial goes on to say:

"But the real point raised by the critics is whether the formula of unconditional surrender is adequate. And on that point the answer must be an emphatic 'No.'"

On Thursday, January 18, Mr. Walter Lippmann again said of unconditional surrender:

"The conclusion we are bound to come to is, it seems to me, that the formula of unconditional surrender, admittedly inadequate, cannot be made adequate by a mere declaration of our intentions. But it does not follow that we can do nothing, that it is impossible for us to take measure as a result of which we could in good faith with ourselves begin to exhibit our true intentions, and begin to dissolve the German fear of the unknown and the arbitrary."

Again on February 1, 1945, Mr. Lippmann wrote:

"It seems more and more likely that our own formula of unconditional surrender will have to be applied not to Germany as a whole, not to the German Army as a whole, but to bits and pieces of the German Army, to cities and provinces of Germany. If this happens the chaos and misery of the Germans will be stupendous. It is not in our power to prevent it, though we shall be compelled on grounds of interest and of humanity to alleviate it."

The real significance of this unconditional surrender slogan only dawned on even the keenest students of international affairs. On February 13, Mr. David Lawrence wrote of the Yalta declaration:

"It would appear that the same lack of vision whereby the use of psychological warfare has been neglected before is still manifested. There is nothing in the communiqué which holds forth any promise to the German people that their territory will not be dismembered and the resources needed for rehabilitation will not be completely destroyed."

On March 17, 1945, the United States First Army psychological warfare combat team released a statement based on a survey of German prisoners taken between January 10 and February 3 from which I quote:

"There can be no doubt that our propaganda has failed to provide the German soldier with a positive reason for surrender. Most of our official statements on the contrary have made him feel that he can gain nothing from a future that brings defeat. * * * Propaganda playing up a hard but bearable existence for Germany, backed up by some kind of official assurances, would give the average German soldier a positive reason to end the fight."

On February 27, Mr. Marquis Childs wrote from occupied Germany:

"The question of whether the war has been prolonged by unconditional surrender terms or by proposals to industrialize Germany, is one that holds great interest for our fighting men. I have heard a number express deep resentment of the so-called Morgenthau plan for a Carthaginian peace for Germany, in the

belief that it gave the Nazis a propaganda weapon with which to whip up the war-weary German people."

On March 13, David Lawrence wrote:

"Actually few men in Washington know what's ahead. A gain and again the German will to fight has been underestimated by official Washington. The slogan demanding unconditional surrender and the announcement from Yalta which portends economic strangulation for the German people for many years to come are two factors which are constantly ignored here for the simple reason that to give weight to them is to criticize the administration here at home and the Allied spokesmen abroad for a blundering policy that prolongs the war."

On March 14, Anne O'Hare McCormick wrote:

"Those who failed to make peace after the last war thought the mistake was not to march to Berlin and show the German people they were beaten. This time there is no Berlin, and the enemy armies meeting in the rubble field that once was the capital should have no difficulty in convincing the population that the Third Reich has suffered the most terrible defeat ever inflicted on a great nation."

"The human problem the war will leave behind it has not yet been imagined, much less faced by anybody. There has never been such destruction, such disintegration of the structure of life. What will happen to Germany is only part of a larger question: what will happen to Europe?"

On March 31, General Eisenhower himself sent word to his Commander in Chief that:

"The further this campaign progresses, the more probable it appears that there will never be a clean-cut military surrender of the forces on the western front."

On April 2, Mr. Marquis Childs wrote:

"As our armies converge on Berlin, our policy toward the Reich seemingly is still based on the belief that by a wave of the wand you can do away with seventy or eighty million people."

It was life for Dorothy Thompson to see through the screen of unconditional surrender to the deep-rooted distrust and fear among the Big Three which determined the destruction of the German state because they did not dare to permit it to emerge as an independent and coherent whole. On January 3, she charged:

"We have been unable to transform the political coalition into an entity to deal with Germany. * * * The Allied approach to the German question has been to try to find a compromise between opposite interests, instead of creating a new common interest, by creating a new world. We are trying to fit a defeated Germany into a world of conflicting powers. We are unable to draft a program for a defeated Germany, because the accession of any part of Germany to any one of the Allied Powers means an extension of the power of one ally at the cost of each other."

But it was on December 29, 1944, that Miss Thompson clearly stated the tragic decision of the Big Three in their determination to destroy Germany as a nation:

"The circumstances of the war make it impossible, exactly impossible, to fulfill this demand. Surrender is an act from the enemy toward ourselves. It is not surrender if we beat him flat to the ground army by army and city by city. That is step-by-step conquest, but not surrender. There are preconditions for unconditional surrender. In the German case it involves giving up the nation—not merely the armies—to something. From the side of the United Nations it involves creating something to which the nation as such can surrender. She cannot surrender as a whole to a whole. There is no identity to which German as an entity can surrender. She must surrender herself in parts to parts. Surrender therefore in-

volves the denial and destruction of her own existence by herself. German's continuation of the war is madness. But madness is preferable to nonexistence."

As a matter of fact, Mr. President, this complete bankruptcy of American policy and this conflict in ideas and purposes among the Big Three have been carried right on into the so-called armistice. On June 9, 1945, Mr. R. H. S. Crossman, after returning from a long stay in Germany, wrote concerning the tragic and intense conflict between the policies of Russia and her western allies in an article entitled "A Voice From Berlin," which appeared in the British publication, the New Statesman and Nation, from which I quote:

"The negatives are clear enough. But what positive musts are there? Must he (the administrative officer) prepare the people for their future as part of a separate Rhineland? No answer. In selecting men for key positions, what political groups must he back? No answer. Must he budget for this autumn on the potatoes from east of the Elbe which form the basic diet? No answer. Must he expect and prepare the Germans under his charge for a central German Government or for a period of rule under quadripartite control? No answer. With the best will in the world no officer can do a good job under such conditions. Anyway there is a saying in the Army which runs: "If you wish promotion, do nothing unusual." When this rule is backed up by a completely negative set of directives, the average British or American officer knows what line to take; let things tick over until someone on top can make up his confounded mind."

"The result on the Germans is exactly what might have been expected. Gradually it began to dawn on the Germans that this was not the gigantic precise occupation machine which he had expected to follow the Anglo-American armies. He began to suspect that the Anglo-Americans who had won the war by sheer efficiency and organization, had neither organization nor a policy for occupation. They are prepared to do nothing with Germany—neither exploit her, nor liberate her, nor dismember her, nor reeducate her. They just want to be tough. But whatever London and Washington may think, the Russian manual—if it exists—does not consist of negatives."

Now, Mr. President, in spite of the conclusive proof of the legal atrocities of the economic insanities, and of the social lunacies that are involved in the policies we are continuing to follow up to this present moment, this administration refuses to take the leadership that is absolutely necessary to force a change before it is too late. Certainly, members of the Senate Appropriations Committee can see the folly of our present course, even if the Senate Foreign Relations Committee cannot, and I want to commend my colleagues on the Senate Appropriations Committee for including in the ECA appropriation bill a provision for reconsideration of the dismantling in Germany, and I call upon my colleagues to rise above party politics—to rise above petty hates and jealousies—and to see clearly how the danger that now threatens, demands of us action that is in accord with the magnificent traditions of America.

The record will also show, Mr. President, that those who have been responsible for our policies toward Germany have continued to defy the rising course of protest across this Nation from farm groups, from labor groups, from industry, from churches, from schools and

colleges, all opposed to a continuation of these policies. The record further shows, Mr. President, that even those committees of Congress and those appointed by the President himself have unanimously condemned as suicidal a continuation of the course we have been following.

Now, Mr. President, to point up all this protest, and to reveal the utter folly of our treatment of the German-speaking people, that has continued up to this very hour, all those who have had anything to do with these policies are trying to get out from under the guilt that attaches to their own actions, by trying to wipe off their bloody hands on the deeds of others.

I refer, Mr. President, to the amazing story carried in this morning's New York Times, in which our beloved, peace-loving allies, Mr. Bevin and Mr. Churchill, who have as much blood on their hands as has anybody else, and who are still grinding the German people down into the dust, charged the late President with being responsible for what has taken place in Germany.

I want now to read into the RECORD, Mr. President, the remarks of men who, to escape their own responsibility for the part they have continued to pay in bringing this catastrophe upon Europe, are willing to stick a knife in the back of their neighbor to cover up their own complicity:

MR. BEVIN. It began with the declaration at Casablanca of unconditional surrender on which the British Cabinet, or any other cabinet, never had a chance to say a word. But it did leave us a Germany without a law, without a constitution, and without a single person to deal with, and without a single institution to grapple with the problems. We have had to build absolutely from the bottom with nothing at all. We have had to build a state with 20,000,000 displaced persons scattered about the whole show.

Looking back on it, I think how those military commanders—to whom I cannot pay too great a tribute—and their political advisers were left with a shambles in the creation of the Germany which they have handed on to the politicians today.

MR. CHURCHILL. The first time I heard that phrase [unconditional surrender] used was from the lips of President Roosevelt.

MR. BEVIN. That justifies what I said. I do not complain. But you will admit I took my share of every decision in the coalition cabinet and I never heard of that phrase until I saw it in the press but if it had ever been put to me as a member of your cabinet, I should never have agreed to such a thing. I took it as it was and it is rather bad for the opposition to criticize me now when I am left with such a shambles.

MR. CHURCHILL. It was made by President Roosevelt without consultation with me. I was there on the spot and I had rapidly to consider whether our condition in the world would justify me in not giving support to him.

I did give support but it was not the idea I had formed in my own mind. If the British Cabinet had considered these words around the table they would have advised against it. But working in a great alliance and with friends from across the ocean we had to accommodate ourselves. But I cannot think that great harm came from that particular phrase.

[Several government supporters muttered, "Oh, no."]

It is a matter of total indifference to me whether you agree or disagree; but I am not at all satisfied that it produced very evil

consequences. But I do not think on the whole that it is a phrase which we in our Cabinet would have used.

I would not have arisen on this matter had not Mr. Bevin, feeling so uneasy about criticisms [from the Conservatives], plunged back across the years of history of the war and touched upon some very large and important matters affecting our relations with the United States with a view of throwing a burden on me personally. Otherwise there could have been no point because I was the person responsible in these matters.

The phrase "unconditional surrender" was not brought before me or agreed to in any way before it was uttered by our great friend and august and all-powerful ally, the President of the United States. But I did agree with him after he said it, and so reported to the Cabinet. Whether, if we had all discussed this at home, we should have proposed such a plan is another matter.

Still, we accepted the position, as he thought it right to do. I cannot feel there can be any separation of responsibility between us in the matter, having regard to the long years in which we subsequently acted together.

Mr. Bevin used the episode to suggest that the difficulties in Germany were greatly aggravated by the use of this phrase. I am not at all sure that is true.

I am not at all sure that unless Hitler had been murdered by some of the plots leveled against him, by men I can only call today patriotic Germans, the situation would have changed. He had the strength and vigor to carry on the fight—as it was carried on—to the last gasp. He and the band of guilty men around him were in a position where they could not look for any pardon or safety for their lives and would have fought to the death.

I have been rather seriously criticized by Mr. Bevin who tried to throw all the discredit of unconditional surrender on me. If he did not mean that, he did not mean anything, because he is vexed with what was said here.

There was another matter to which Mr. Bevin referred, about which I do not feel so confident in my conscience about the judgment of my actions. That is the Morgenthau—Henry Morgenthau, Jr.—agreement at the second—Quebec—conference.

It was initiated by the President and by me, and it undoubtedly proposed a treatment of Germany which was a harsh treatment in that it limited her to an agricultural country. But that was not a decision taken over the heads of the cabinet. It was not one that ever reached the cabinet because it was only a referendum and it was disapproved by the State Department, on the one hand, and by my friends, and the Foreign Office on the other, and it just dropped on one side. It never required a cabinet decision or had any validity of any kind.

I did not agree with this paper for which I bear, nonetheless, a responsibility, but when you are fighting for life with a fierce enemy I feel different toward him to what I do when that enemy is beaten to the ground and suing for mercy. Anyhow, if the document is ever brought up to me I shall certainly say that I did not agree with it and I am sorry I put my initials to it. I cannot do more than that, but many things happened with great rapidity. But to say it was done over the heads of the cabinet is quite untrue.

These two matters were dragged in in order to justify Mr. Bevin in pursuing the policy of dismantling, and the trials of the German generals. I do not think he need have brought such heavy artillery back from the past to fire on such matters. I do not put the case with hostility against him.

Mr. BEVIN. I hope the House will allow me to make an explanation. In the first instance, with regard to unconditional surrender, I want the House and Mr. Churchill to be clear what I was saying about the use of that phrase meant that the whole constitution was smashed and military governors and the governments of the Allies have had to build right from the bottom and I did not think that the criticism of Mr. Churchill was justified. He did not take that into account.

Then, Mr. President, I want to read into the record, also, what has now become the popular pastime of joining the bandwagon when the going gets too rough. I refer to an article by Felix Belair, Jr., which ties unconditional surrender together with the Morgenthau plan, and which attempts to relieve former Secretary Hull, as well as others, from any responsibility for what has happened:

SURRENDER STAND SURPRISE TO MANY—WARTIME MEMOIRS SHOW HULL, OTHERS JOINED CHURCHILL IN OPPOSING ROOSEVELT POLICY—MORGENTHAU LINK IS SEEN—DEINDUSTRIALIZATION PROPOSAL FOR POSTWAR GERMANY CONFUSED WITH PLAN OF PRESIDENT
(By Felix Belair, Jr.)

WASHINGTON, July 21.—Winston Churchill's surprise and distaste for the unconditional surrender policy adopted by the Allies in World War II was shared by former Secretary of State Cordell Hull and not a few others in the wartime administration of President Roosevelt.

In his memoirs on that phase of wartime policy, Mr. Hull wrote:

"Originally this principle had not formed part of the State Department's thinking. We were as much surprised as Mr. Churchill when, for the first time, the President, in the Prime Minister's presence, stated it suddenly to a press conference during the Casablanca Conference in January 1943. I was told that the Prime Minister was dumbfounded."

Mr. Hull wrote that the British Foreign Office asked that the term "unconditional surrender" be avoided pending further reflection, and that the expression "prompt surrender" be employed instead.

CHURCHILL WAS ABSOLVED

That the policy was entirely that of President Roosevelt also is confirmed by Robert E. Sherwood in his book *Roosevelt and Hopkins*, where the author recorded that the President completely absolved Mr. Churchill of any responsibility for the position announced at Casablanca.

Former Senator Burton K. Wheeler, of Montana, who was one of the most outspoken in his opposition to the policy and called for its abandonment as a brutal and costly slogan, was among those whose memory of the circumstances was still fresh.

He remembered having been accused publicly by former Secretary of State Edward R. Stettinius, who succeeded Mr. Hull, with having encouraged the enemy to hold out for a negotiated peace. Mr. Wheeler had argued in a radio address that the Axis Powers were being encouraged by the policy of unconditional surrender to fight on in hopes of avoiding the implied results.

"What I said about unconditional surrender at the time has been proved entirely correct," said the former Senator, now engaged here in the private practice of law.

WHEELER TELLS OF PROPOSAL

It was Mr. Wheeler's contention in the discussion, he recalled, that the unconditional-surrender policy would needlessly cost the lives of thousands of men before Germany was finally subdued. He said he had

proposed that the President tell the German people in unmistakable terms what he wanted, just as Woodrow Wilson had hastened the end of World War I by his 14 points.

In recounting the incident today, Mr. Wheeler said he had urged the President to call for a United States of Europe, or some similar postwar program that would save many of the 500,000 men that Jimmie Byrnes said it might cost for a successful invasion of Europe.

Although the two policies were never officially connected, that of unconditional surrender came to be linked in the minds of many in and out of Government at the time with the so-called Morgenthau plan (of Henry Morgenthau, Jr., then Secretary of the Treasury), for the deindustrialization of Germany and its reduction in the postwar period to the status of a pastoral state.

The latter plan was not brought forth until the Quebec Conference of the Big Three late in 1944. However, it was generally understood at the time that the two policies went hand in hand and that the one was a natural outgrowth of the other, no matter which came first in publication.

CRITICISM OF MORGENTHAU PLAN

Ultimately, it was the Morgenthau plan that came in for the burden of criticism. Although administration spokesmen inspired reports at the time that it had been abandoned, there was no evidence of it in the conduct of the war or in the development of occupation policy.

It was the unfavorable public reaction to reports of former Secretary Morgenthau's Carthaginian postwar plan for Germany that brought suggestions of its abandonment from administration sources. A Cabinet crisis had been in the making ever since Mr. Morgenthau had gone to the Quebec Conference as the chief exponent of that policy while Henry L. Stimson, then Secretary of War, and Mr. Hull had remained in Washington.

Mr. Hull's objection to the plan, and his disapproval of the assumption of management of the entire matter by Mr. Morgenthau and the Treasury, were well known at the time. Also, Mr. Stimson had made plain to a number of persons his resentment and disapproval of, and positive alarm over, the turn the situation was taking, with the encouragement of the President.

For one thing, the unconditional surrender and deindustrialization policies were being used to advantage by German propaganda at home, in the opinion of many Washington officials.

FOUND CAUSE FOR CONCERN

Mr. Wheeler was one of those who found cause for concern in the occupation policy then taking form. He said today that whatever may have been suggested by administration spokesmen on the subject, President Roosevelt never did abandon the Morgenthau concept as a guiding principle for Germany's postwar management.

This was reflected in a statement by Archibald MacLeish, then Assistant Secretary of State, in March 1945 during a radio broadcast with other officials of the State Department on the administration's policy toward Germany and Japan.

"We don't know how long it will be necessary to occupy Germany in order to undo the evil work that has been done there, but we propose to stay with the job until it is finished," Mr. MacLeish had said.

"We believe, however, that something more than the destruction of the physical power of Germany to make war will be required."

It was not until this Government had been confronted with the major responsibility for postwar European reconstruction and recovery that the Morgenthau concept was finally swept away by the compelling ne-

cessity to bring Germany back into the European family as an economic factor, both as a producer and consumer of goods.

Now the occupation has swung to the other extreme. The Marshall plan appropriation bill, to be taken up in the Senate tomorrow, directs a reopening of the entire controversial subject of German reparation plants with a view to the retention in Germany of additional units for European recovery purposes.

I commend my colleagues on the Senate Appropriations Committee for including a provision for reconsideration of the dismantling of Germany. I call upon my colleagues to rise against party politics and to exhibit a magnificent statesmanship dedicated to a preservation of our traditional principles.

I conclude with words I have spoken on many another occasion—words which deserve the most careful consideration of those of us who are about to vote on the ECA appropriation bill:

If western civilization is to survive in Europe, it must survive in Germany.

Mr. President, if western civilization is to survive in Germany, the senseless, brutal destruction of the industrial potential for peacetime purposes upon which the German people are absolutely dependent for survival—this senseless destruction, I say, must stop, and I believe the time has come for America to use all the resources and all the pressure at her disposal to stop this dismantlement once and for all.

THE REAL BATTLE OF 1949

Mr. KEM. Mr. President, the cold war with Russia, and our fears of a possible clash of arms, it seems to me, have tended to overshadow the most fundamental of all the issues which confront us. The all-important question—the real battle in 1949—is this: Will the remaining free peoples of the world continue to control their governments, or will their governments gain control of the people themselves?

The issue is freedom versus slavery. It is a question of whether free people are to retain their fundamental liberties and human rights, or whether they will permit an all-powerful central government to tell them what to do, when to do it, and how to do it.

In Russia the die is already cast. The light of freedom flickered out long ago behind the iron curtain. All is communism now.

SOCIALISM IS A THREAT TO FREEDOM

In the western world the threat to freedom goes under a different name—socialism. This should confuse no one: a stink-weed under any other name smells the same. Socialism and communism are fruit of the same tree, and the roots of that tree are the theories of Karl Marx. There is this distinction between the two: the Communist would establish government ownership of the means of production by overthrowing governments with force and violence. The Socialist wants to accomplish exactly the same result without violence, by peaceful processes of infiltration.

Several of the countries of western Europe are far down the road toward a

completely socialized state. The Socialist government of England has acquired and now operates 10 important industries.

France has socialized 23 of them.

What have been the results of these experiments in socialism? Let us see what has happened in Great Britain. Here are just a few specific cases of what life in England is like under a Socialist bureaucrat's thumb.

British farmers, in particular, are regulated and directed from sunup to sundown. A British farmer may neither kill a pig, nor give a dozen eggs to a neighbor, without first applying for and securing a permit from the proper authorities. The Ministry of Agriculture can force a farmer off his own land if he does not plow, sow, and reap according to plan.

The British Board of Trade issued a regulation requiring that metal discs be attached to the horns of pedigreed Aberdeen Angus bulls being exported. Later the order was amended to require instead that the horns be branded. Then the order was canceled altogether—the Board of Trade had finally discovered that Aberdeen Angus bulls have no horns.

Here is an instance of how the working man fares under socialism in England. A carpenter gave up his job and appealed to the British Labor Exchange for other employment. He was told to go back to the job or he would have to go to prison for 3 months or pay a fine of \$300.

The British Ministry of Fuel determines who may drive an automobile and where they may go.

The most unfortunate result of the British experiments in socialism is that economic recovery has been interfered with, production held back. The British are now as hard pressed as at any time since the end of the war, and daily their plight grows more tragic. This situation is particularly unfortunate from the standpoint of the American taxpayer, who last year contributed nearly thirteen hundred million dollars to Great Britain under the Marshall plan. These dollars—the money of the American taxpayers, mind you—were used to finance the British Socialist program.

It is time to stop coddling socialism, both abroad, and at home. "It can't happen here," it is said, and that "We'll never see a socialistic United States." It was once said that it could not happen in England, but it did happen.

Our Republic is in danger now, endangered by those who would substitute for our free economy, a socialized, planned economy. Radicals, who call themselves liberals without knowing the real meaning of the word, would replace Americanism with statism. They would weaken and impair the liberties which we have enjoyed under the Bill of Rights, and replace them with bureaucratic regulations and dictatorial interpretations flowing out with monotonous regularity from Washington. They would subtract from our social, political, and economic freedoms, and add to the size and power of the Federal Government.

WE SHOULD RETURN TO THE PRINCIPLES OF THOMAS JEFFERSON

During the closing days of the convention which framed the Constitution of the United States wise old Ben Franklin was asked what kind of a government was set up in the new Constitution. He answered: "We have given them a republic—if they can keep it."

Our Republic is threatened today, threatened by the rapid growth in the size and power of the Federal Government. Washington bureaucrats are more and more injecting themselves and their agents into the affairs of our States, counties, cities, and townships.

I am convinced that we are drifting in the wrong direction. We should return to the principles of Thomas Jefferson, under which America grew great and strong. We should return to the principles of local self-government. I think it is time for more government to be sent home, back to our county courthouses, our city halls, and State capitals, back to the grass roots, close to the village pump, where our people can control it and fit it to their own particular needs.

Of all the devices used to concentrate authority in Washington, Federal grants-in-aid are the most popular among power-hungry bureaucrats. The States are not free to use this money as they see fit—no, indeed; there are strings tied to it, rigid requirements laid down by the bureaucrats in Washington. Federal aid means Federal controls, just as surely as that night follows day.

There are those who attempt to lull us into accepting Federal aid by implying that we are getting something for nothing, that it comes entirely from the Federal Government. The money the Federal Government spends can come from only one source, the pocketbooks of the American taxpayers. There is no magic pot of gold in Washington. Certainly the Federal Government does not live on interest from its foreign loans. Furthermore, the dollar taxed out of our citizens' pockets and sent to Washington is not any bigger when it goes back. The fact is that it is quite a bit smaller, because the political brokerage of the bureaucrats has been taken out. Many a dollar never finds its way back home. Poor little dollar! It never escapes the jingle, jangle, jungle of Washington.

Federal aid, then, means two things, less for the taxpayers' money, more regimentation for the taxpayers.

The Eighty-first Congress has been under a barrage of proposals from the Truman administration to strengthen and extend the grip on our daily lives of this great Federal octopus on the banks of the Potomac. We have been urged to approve a program of socialized medicine, for example, which would concentrate control of the practice of medicine in the hands of the Federal Government. The Brannan farm plan, for another, would place the American farmer in a strait-jacket and destroy his freedom of action, as has happened

to the British farmer under a Socialist government.

SECRETARY BYRNES AND GENERAL EISENHOWER
HAVE WARNED US

Former Secretary of State James F. Byrnes recently jolted Washington with his stern warning against the drift toward socialism. He left no doubt that, in his opinion, the road we are now traveling leads to economic slavery for us all. Mr. Byrnes pointed out that "Some of the proposals now suggested, which would curtail the liberties of the people, are offered in the name of public welfare and are to be made possible by Federal aid. That phrase is deceptive," he said. "It leads people to believe that Federal aid funds come from a Christmas tree." Finally, Mr. Byrnes solemnly warned:

Beware of those who promise you something which does not belong to them, and which can be given to you only at your own expense.

General Eisenhower, now president of Columbia University, recently had this to say:

I firmly believe that the army of persons who urge greater and greater dependence upon the Federal Government, are really more dangerous to our form of government than any external threat that can possibly be arrayed against us.

Mr. President, we have tried bureaucratic government from Washington. We have learned that it is always expensive, often inefficient, and, above all that it is steadily creeping up and destroying some of our most cherished liberties.

The people of my State, the people of Missouri, have always loved the Republic of our fathers. We are willing and anxious to do our full share to save it in its constitutional form, to cherish and preserve it for ourselves, for our children, and our children's children.

THE LONGSHOREMEN'S STRIKE IN HAWAII

Mr. MORSE. Mr. President, as a member of the Senate Committee on Labor and Public Welfare I wish to submit, in my own behalf, a report to the Senate in respect to the Hawaiian dock strike, which is now raging in that section of the world.

It was about 2 weeks ago, or within the last 2 weeks, that the people of America were very much aroused, and unquestionably greatly concerned, by a series of newspaper advertisements which were published in the major newspapers of the country. They were newspaper advertisements which sought to give the impression that the people of Hawaii were being subjected to inexcusable hardships and suffering as the result of union activities in the islands. Those advertisements were so alarming in their implications and connotations, Mr. President, that the Senator from California [Mr. KNOWLAND] offered an excellent bill which proposed that the President of the United States appoint a board of inquiry to conduct what, under the terms of the bill, would have amounted in fact to arbitration of the dispute. It was the intention of Senator KNOWLAND and those of us who sponsored the bill with him that

the parties to the dispute would agree to arbitration provided, as the Senator from California [Mr. KNOWLAND] and I stated upon the floor of the Senate at the time in explanation of the bill, that the parties would accept the decision of the board of inquiry as final and binding.

The Senate Committee on Labor and Public Welfare, disturbed also by the scare representations that were being made in the advertisements appearing in American newspapers, proceeded with immediate hearings on the Knowland bill. It is about those hearings, Mr. President, that I wish to make a few comments this afternoon, because the hearings made perfectly clear that, as in the case of most propaganda, the advertisements which were published in the press of this country were exaggerated and full of misrepresentation.

And so, Mr. President, after the Senate Committee on Labor and Public Welfare held a prolonged executive session on the Knowland bill, it then proceeded with public hearings on it. At the first hearing the Senator from California [Mr. KNOWLAND] appeared in behalf of his own bill and made an excellent statement in support of it. I recommend its reading by Members of the Senate because his statement more than justifies the bill. Other sponsors of the bill appeared and made statements as to their intent in respect to the bill.

The Senate Committee on Labor and Public Welfare then, by unanimous vote, decided to call upon the employers concerned in the strike to designate one representative to appear before the Senate Committee on Labor and Public Welfare to present the employers' point of view and reactions and suggestions in respect to the Knowland bill, and the committee also requested the union to select one representative to appear before the committee in public hearings. Such hearings were arranged for, Mr. President, and the employers sent to the hearings an attorney representing the employers of Hawaii who were involved in the strike, a man by the name of Mr. James Blaisdell, and the union sent their international president, Mr. Bridges. I want to say at the outset that before I finish I will have something to say about Mr. Bridges, and of my viewpoint concerning some of his tactics of labor leadership, and my unmistakable viewpoint of complete opposition to his political philosophy.

In the first part of these remarks, Mr. President, I want to give the Senate the benefit of at least my reaction to the record which was made by these two spokesmen of the conflicting forces in the Hawaiian strike, Mr. Blaisdell and Mr. Bridges. I speak as one who for the past decade or so—yes, for the past 15 years—has participated in the so-called middle position, the position of representing the public interest, the position of an impartial arbitrator, in a very large number of labor cases. If one were to include in that record the great many cases in which I participated during the war in association with the distinguished present Presiding Officer of the Senate, the Senator from North Carolina [Mr. GRAHAM], I suppose the count would show

that in the past 15 years I have participated in 2,000 or more cases. Therefore, I think it is proper for me to say, in spite of the personal reference, that I believe I comment on the Hawaiian strike today with a broad background of knowledge of the tactics of parties to labor disputes, their aims and objectives, and the strategies they can be expected to use, depending upon the strength or weakness of the case, and with some knowledge as to fair procedure which should be used in labor cases if our objective is to settle cases on their merits.

With that background, I wish to say that in my opinion I have never listened to an employers' case so weak on the merits, so obviously designed to avoid the true issues, and so patently designed to prevent a decision on the merits, as the case of the employers in the present Hawaiian dispute.

It was very interesting to hear the reactions of the correspondents and reporters who attended that public hearing. Since I have been in the Senate I have never had a group of reporters come to me and express such unanimity of point of view in their reaction to a hearing as did the reporters who came to me after our hearing the other day on the Hawaiian dispute. With complete unanimity they expressed views to the effect that they were at a loss to understand how an employer representative at a public hearing before a committee of the United States Senate could present a case as weak as the case which Mr. Blaisdell was forced to present. He is not at fault. He appeared before us without the authorization which he should have had from his principals, if he were to take the steps necessary to settle the dispute on the basis of the merits.

Many counsel have appeared before me in labor cases. I have never felt so sorry for a counsel as I did for Mr. Blaisdell the other day. Had he been given the proper authorization by his principals it would have enabled him to settle the case on a high level of industrial statesmanship and in the public interest. All he could say when various proposals were made to him by the committee was, "I will take them back to my principals."

From the examination of Mr. Blaisdell and Mr. BRIDGES I thought it became very clear what the basic issues in the Hawaiian dispute really are. They are not the issues stated in large advertisements in the American press, which cost many thousands of dollars. What we read in the press was propaganda.

Let us go into the merits. This morning the Senate Committee on Labor and Public Welfare received a long radiogram from Mr. W. R. Starr, chairman of the stevedoring companies' negotiating committee, the employers' group involved in the Hawaiian dispute, in response to the proposal which was made by the Senate Committee on Labor and Public Welfare, that the employers and representatives of the union meet in Washington under the auspices and good offices of the Federal Conciliation and Mediation Service, and here, far removed from the emotionalism, the anger, and the hysteria of the dispute as it presently exists in

and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 4, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 2. The fifth paragraph of section 12 of the Act of September 1, 1916 (D. C. Code, 1940 ed., sec. 4-509), is amended to read as follows: 'The Commissioners of the District of Columbia are authorized to pay from the said policemen and firemen's relief fund, District of Columbia, a sum not exceeding \$250 in any one case to defray the funeral expenses of any deceased member of the Police Department or the Fire Department of said District dying while in the service thereof.'"

And the Senate agree to the same.

LESTER HUNT,

OLIN D. JOHNSTON,

ANDREW F. SCHOEPPPEL,

Managers on the Part of the Senate.

JAMES C. DAVIS,

ARTHUR G. KLEIN,

J. GLENN BEALL,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

MILITARY AID TO FREE NATIONS—

MESSAGE FROM THE PRESIDENT (H. DOC. NO. 276)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read.

(For President's message, see today's proceedings of the House of Representatives, pp. 10325-10327.)

The VICE PRESIDENT. The Chair would like to state that this message involves the question of reference to a committee. The Senator from Maryland [Mr. TYDINGS], the chairman of the Committee on Armed Services, requested the Chair to allow the message to lie on the table until he could return tomorrow and that is what the Chair will do. There will be no reference of the message until tomorrow. That is without prejudice in any respect.

TRIBUTE TO THE LATE ALEXANDER F. WHITNEY

Mr. NEELY. Mr. President, the custom of commemorating the memory of the dead is as old as the human race; as ennobling as the Golden Rule; as enduring as the everlasting hills.

Let us momentarily suspend the regular procedure of the Senate and improve the interlude by solemnly observ-

ing this ancient custom of commemoration in undying honor of a never-to-be forgotten, illustrious American, Alexander F. Whitney, late president of the Brotherhood of Railroad Trainmen, who at an early hour in the morning of Saturday the sixteenth day of July, passed from the turbulent land of the living into the silent land of the dead.

This truly remarkable man—the son of a minister of the gospel—was born in a humble home in Iowa 76 years ago. At the age of 15 he became a railroad news agent and began his lifelong battle to promote the welfare of his fellow men.

By virtue of his unusual intelligence, unimpeachable integrity and unlimited industry, he rapidly ascended to great heights on the ladders of success and fortune and fame. In 1928 he became the president of the Brotherhood of Railroad Trainmen, one of the most populous of railroad labor organizations. This high office he continued to hold until his cheery voice at last became mute and his tired heart ceased to beat.

What Moses was to the Israelites in their departure from the land of bondage; what Joshua was to that favored people upon their entrance into the land of promise, Alexander Whitney was to the hundreds of thousands of railroad trainmen during the last 21 years.

Throughout his long and busy life, where duty led he followed—fearless of foes, heedless of misfortunes and thoughtless of rewards. His character was spotless; his reputation was without a stain. He was a steadfast Christian, a devoted husband, a loving father, and a faithful friend. As a great labor leader, he constantly wore the white plume of a blameless life. As a great patriot, he loved principle more than party. He habitually burned incense on the altar of eternal truth and worshiped at the shrine of universal good.

For his patriotism we lauded him; for his service to his country we honored him; for his devotion to his family and his friends we loved him. As we lauded, honored, and loved him in life, so we revere him in death, tenderly cherish his memory, and in imagination strew the freshest, fairest, and most fragrant of flowers above his sacred dust. We wrap the stainless record of his outstanding achievements in the silver foil of appreciation, entwine it with the golden threads of affection, and store it in the casket of fond recollections where neither moth nor rust can corrupt it, where thieves cannot break through and steal it.

We are comforted by the thought that this beloved friend was spared the suffering of a long illness. His very last day upon this "bank and shoal" of time he devoted to the faithful discharge of his official duties. That night he was apparently in perfect health, and as usual, he—

Wrapped the drapery of his couch
About him, and lay down to pleasant dreams.

Soon after midnight he suffered a heart attack and a few minutes later he fell asleep to wake on earth no more.

In this moment of melancholy reflection we realize that President Whitney has passed the limits of earthly vision; his shadowy form cannot be seen through

the illusions of love, the telescopes of science, or the tears of grief.

Once more arises the world-old question asked by the suffering Job, "If a man die, shall he live again?" But, unlike the afflicted patriarch, we seek no "refuge either in silence or submission." We simply turn from this perplexing question of the Old Testament to find it answered in the new by Him who came 15 centuries after Job, and said:

I am the resurrection and the life; he that believeth in me, though he were dead, yet shall he live; and whosoever liveth and believeth in me shall never die.

In this divine promise we put our trust. While dogmas perish and heresies crumble; while agnosticism decays and atheism dies, we shall continue to lean upon the Everlasting Arm, believing that the twilight here is but the dawn of a grander day upon some other shore; believing that the feeble flame that flickers here for a little while will at last leap into a bright and shining light when the spirit of man has winged its way back to Him that gave it birth.

It is our consoling hope and belief that President Whitney and all those who mourn his loss will eventually be reunited in that "realm where the rainbow never fades"; where no one ever grows old; where sickness never comes, friends never part, and loved ones never, never die.

Beloved husband, father, friend—

Farewell. * * *

All our hearts are buried with you,
All our thoughts go onward with you.
Come not back again to labor,
Come not back again to suffer,
Where the famine and the fever
Wear the heart and waste the body.
Soon our task will be completed.
Soon your footsteps we shall follow,
To the Islands of the Blessed, * * *
To the Land of the Hereafter.

Oh, sainted dead, peacefully sleep and blissfully dream on and on, through sunshine and shadow, through seedtime and harvest, through winter's storm and summer's calm until the angelic harbinger of the resurrection shall arouse thee from thy slumber and usher thee through the pearly gates of paradise into the never-ending joy and glory of thy Lord.

Mr. WHERRY. Mr. President, I deeply appreciate the highly inspirational and deeply affectionate tribute which has just been paid by the junior Senator from West Virginia to his friend.

Mr. LUCAS. Mr. President, I should like to associate myself with the very appealing remarks made by the distinguished Senator from West Virginia about the late Mr. Whitney. In my time in the Senate of the United States, I do not believe I have ever heard a more beautiful or lovely tribute than the one which has just been paid to Mr. Whitney by the able Senator from West Virginia.

Mr. McKELLAR. Mr. President, let me say that I have listened with profound interest and appreciation to the remarks of the able Senator from West Virginia about Mr. Whitney. I endorse every word my friend the Senator from West Virginia said about Mr. Whitney. I have known Mr. Whitney for many, many years. He was one of the finest

men I ever knew. At a subsequent time I hope to have an opportunity to say more fully what I think of his splendid life and character and his wonderful accomplishments in behalf of his fellow men.

LEGISLATIVE PROGRAM

Mr. LUCAS. I thank the Chair for his statement, because I was just about to make that request, in view of a conversation I had had with the distinguished Senator from Maryland.

Mr. President, I should like to make one or two announcements with respect to the legislative program. We are now, as everyone knows, considering House bill 4830, the Foreign Aid Appropriation Act, 1950. Just how long we shall be debating the bill obviously no one can say, although it is the hope of the majority leader and of others that we may finish it within 2 days' time. It may take longer in view of the number of amendments. In view of the fact that a great many Senators are continually asking about the adjournment date, it is the hope of the Senator from Illinois that we may expedite the debate upon this important measure and reach a conclusion as soon as possible.

Last week I made the announcement we would hold a night session Tuesday night and another night session Thursday night. In talking with the minority leader and with other Members of the Senate it was thought that, starting tomorrow evening around 7:30, it might be a very good time to call the calendar, in the hope that we might by that time have finished with this bill. If not, we will call the calendar, starting from the beginning, I think, of the calendar and going through to the end of it. A number of measures have been reported to the Senate since the calendar was last called, and I think it important that we dispose of a number of the bills.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. I appreciate the announcement that the calendar will be called from the beginning. Do I correctly understand the majority leader to say that at 7:30 the calendar will be called, regardless of whether consideration of the foreign-aid bill has been concluded?

Mr. LUCAS. That is correct.

Mr. WHERRY. It is a definite announcement of 7:30; is that correct?

Mr. LUCAS. The Senator's understanding is correct. Mr. President, that is all I desire to say.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LANGER. Did the Senator say that would be tomorrow evening?

Mr. LUCAS. Tomorrow evening.

Mr. SALTONSTALL. Does the Senator from Illinois have anything further to say about another night session?

Mr. LUCAS. Yes; there will be another night session Thursday

FOREIGN AID APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

POSITION OF PERENNIAL HORTICULTURAL PRODUCTS IN EXPORT FIELD

Mr. KNOWLAND. Mr. President, with the ECA appropriation bill before us and with the reciprocal trade legislation soon to come up, the time is most appropriate to remind the Senate of the position of the so-called perennial horticultural products in the field of exports.

I come from a great horticultural State. In common with Senators from Oregon, Washington, Arizona, Texas, Florida, Michigan, the great peach States of the South, and the apple-producing areas of the Appalachians and New England, we have been repeatedly told that the vital question involved in appropriating American taxpayers' dollars under the ECA program is one of the rehabilitation of Europe.

It was never intended that its purpose or result should be the destruction of an important segment of the United States economy. There are strong indications that European nations are using funds made available by this country to finance a trade blockade for perennial horticultural and other products.

The horticultural interests of the Nation, in the hearings on the agricultural appropriation bill before the Senate subcommittee on agricultural appropriations, presented a statement on behalf of the Dried-Fruit Association of California, the California Prune and Apricot Growers Association, the Sunmaid Raisin Growers of California, the California Walnut Growers Association, the California Almond Growers Exchange, the Northwest Nut Growers, the United Fresh Fruit and Vegetable Association, the Northwest Horticultural Council, the National Apple Institute, the International Apple Association, the California Fruit Growers Exchange, the California Grape and Tree Fruit League, the Mutual Orange Distributors, and the Florida Citrus Commission, pointing out that during the prewar period 1934-38 the fruit industry ranked third in the list of agricultural exports of the United States, after cotton and tobacco. Among foods, it ranked first, ahead of wheat. Twenty-eight percent of the apples of the Pacific Northwest, 44 percent of fall and winter pears, and 40 percent of dried fruits went into export. Very substantial quantities of citrus fruit in fresh form, and of eastern apples, also found their way into export markets. There were substantial exports of table grapes, Bartlett pears, and plums, and certain horticultural items have depended, to a large extent, based on long-established history, on export outlets for their very existence. In fact, many varieties of fresh fruits have been planted solely to fill an export demand which existed prewar. Many other varieties, sizes, and specifications found their most popular outlet in export markets. The export market was not a refuge for surpluses,

it was a primary market for which definite acreage was planted, and in which particular grades and classifications found their only important source of distribution.

Today, that market is reduced to insignificance. Fruits and fruit products exported in 1934-39 had an average value, according to the Department of Agriculture, of about \$177,000,000 at present-day prices. In 1948, not more than \$20,000,000 worth of fruits were exported, of which nearly \$15,000,000 worth were sent under United States Department of Agriculture programs, with some support from ECA, but with a much greater support from the Department of the Army. There is no indication that 1949 will see any greater exports. In fact, with the present financial situation as reported from Great Britain, with the recent action of Canada in embargoing, for all intents and purposes, imports of United States fruit, with the troubled situation that exists in the Orient, it is safe to assume that without administrative redirection of Government policy, 1949 will not see any greater exports than the previous year, and probably less.

This poses the question, How much longer are the great horticultural interests of this Nation, to which I have referred, going to be able to help support a Government program in which they are the victims of an economic backfire? Those engaged in horticultural pursuits have given a substantial measure of support to the ECA program, because they believed that a rehabilitated, war-torn world would not only result in economic health abroad but would also result in the reestablishment of historic trade channels and the opening up of expanding opportunities.

We are now faced with the fact that unless there is a redirection of administration, as indicated by the Senate report on agricultural appropriations, we can expect little, if any, exports of horticultural products. Even those who are interested in exports of such important items as cotton, wheat, and tobacco can look forward to greatly diminished exports of these agricultural commodities while embargoes and currency restrictions are enlarged abroad.

We have been advised of the completion of a bilateral trade agreement between Great Britain and Russia, calling for substantial imports on the part of Great Britain of coarse grains, including wheat. Bilateral trade agreements have been concluded by Great Britain with Argentina, and others are in the process of negotiation with countries on the continent. The present financial situation in Great Britain has occasioned a stringent policy on the part of the members of the British commonwealth of nations toward added or even any exports from the United States of America. The recent embargo on fresh fruits from the United States on the part of Canada and their indicated policy with respect to quotas on such horticultural items as may be admitted, is a case in point.

American dollars are even being used through the use of counterpart funds to

retire the debts of foreign nations, participants in ECA relief, while our own debt mounts. Funds made available by the ECA program are being used to solidify permanently agricultural industries where they had not existed prior to World War II. They will compete with our own, even should conditions ever become normal again. Under these conditions, we stand a good chance of losing any future export business through the employment of bilateral agreements and the use of our funds in such a manner.

The fresh- and dried-fruit industry of this country is not receiving mandatory price support in any form whatsoever, yet no industry has done more to help itself under such legislation as is available to it. We have marketing agreements on citrus fruits, on peaches in the southern States, deciduous tree fruits in California, fall and winter pears in Washington, Oregon, and California. We have pending industry agreements under consideration in dried fruit. Even the producers of the great staple commodities such as wheat, tobacco, cotton, and others have not accomplished as much to help themselves as have the horticultural industries of this Nation. Yet we are wondering, in the face of conditions as they now exist, how much longer the producers of even these staple commodities are going to be able to continue to support present ECA export programs as presently directed.

If all agriculture becomes distressed, and even if the manufacturers of non-agricultural items are being squeezed out of the international market by reason of present policies, how much longer can the program continue? Our friends abroad should take notice of the fact that cooperation and reciprocity are a two-way street.

I should like to point out that the horticultural industries of the Nation have not been in the forefront asking mandatory price supports. They have chosen as a policy to do everything within their own power first to help themselves, but again the point has been reached when the Congress must expect these important industries to demand equity of treatment. The ECA program contemplated, in spite of many signs to the contrary, the rehabilitation of Europe by 1951. By that time, without some aid, the horticultural industries of this Nation will be faced with irretrievable loss of trees, vines, packing houses, and other capital assets, not to mention the loss of taxes paid by farmers to support the county, State, and Nation. All signs indicate we are financing or helping to finance a self-sufficiency in the trading of horticultural products between the countries of western Europe and that we have been engaged in a policy which, if permitted to continue, may well mean the permanent loss of our export market for these perennial horticultural products.

The plain, cold facts of the matter are that Great Britain, the principal prewar export customer for horticultural products, as well as other European countries, is substituting other sources of supply for fruits which it formerly obtained from the United States. If they were

denying themselves these fruits in an effort to improve their economy it would be a policy which could not be criticized. But the figures show that this is far from the case; in fact in the instance of Great Britain, present imports of fruit show they are approaching prewar levels.

In the consideration of perennial horticultural products the Congress has not, to date, earmarked or set aside a special appropriation within the structure of ECA for the exclusive use of aiding exports of such items, or, for that matter, as yet in the provision of funds for price supports as set up in agricultural legislation. The subcommittee on agricultural appropriations, however, in reporting on the Agricultural Appropriation Act for 1950, made the following statement in connection with section 32, which was included in the report of the full committee:

The committee gave serious consideration to the plea of national horticultural interests that the funds provided under section 32 of the act of August 24, 1935, be supplemented by an additional \$50,000,000. The committee recognized the unique position and need of this industry, arising from the temporary loss of long-standing export markets, and the inability of the fruit grower to reduce production loss of capital investment in packing and other facilities. The committee also took note that this industry, together with other agricultural interests which do not receive mandatory price supports, is entirely dependent upon section 32 for assistance, and that section 32 funds may be used to facilitate utilization of these commodities under the terms of section 112 of the economic cooperation act of 1948, as amended. The committee has not added the requested sum to the section 32 fund, believing that such funds, now relieved from the obligation of paying for the school lunch program, will be adequate to give the relief needed. The committee believes that the situation of horticulture falls squarely within the intended primary objectives of section 32, and must be met under that section. It is the view of the committee that section 32 funds be made available by the Secretary of Agriculture in the fullest extent practicable to encourage the exportation or domestic consumption of perennial horticultural crops and their products.

The purpose of these remarks today is to urge the Secretary of Agriculture and the Administrator of the Economic Cooperation Act to put into effect as soon as possible, and upon showing by the industry, for this year's horticultural production, section 32 funds for such commodities on which aid can be demonstrated by the industry groups involved and to encourage the opening up of our historic channels of trade.

Nor should any theoretical or academic obstructions be placed in the way of the horticultural industry in making such help available. These industries, on the whole, are in distress, and since at the moment section 32 is the only available vehicle for support to the horticultural industry, and since in section 112 of the Economic Cooperation Act is found the machinery for using section 32 funds as an aid to export of fruits, it is my considered opinion that the Senate, in approving the language referred to in both acts, and in the report of the Senate Agricultural Committee, fully expects the

Secretary of Agriculture and the Administrator of the Economic Cooperation Act to use these funds to aid horticultural industry to the fullest extent practicable.

We shall continue to watch and observe with great interest the development of a tangible, workable program to aid the horticultural industry of this Nation. Results and not excuses are the need of the hour. We do not lose sight of the international objectives of present policies. However, the administration and the Congress must not ignore the warning signals that are already glowing along the domestic economic tracks. Wise men and administrators at home and abroad will be well advised to review present policies.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The question is on agreeing to the first committee amendment.

Mr. KEM. Mr. President, the Senator from Nebraska [Mr. WHEAT], the Senator from Arkansas [Mr. McCLELLAN], and I have proposed an amendment to the pending measure, and I should like to ask that the clerk read the emendments for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated by the clerk.

The LEGISLATIVE CLERK. On behalf of himself and other Senators, Mr. KEM proposes the following amendment:

On page 14, after line 15, insert the following:

"Sec. 202. No part of the appropriations contained in this act shall be furnished to any participating country, or government or agency thereof, which shall, after the date of enactment of this act, acquire or operate, in whole or in part, any basic industry thereof, other than industries the acquisition of which has been completed prior to the date of enactment of this act."

On page 14, line 16, strike out "Sec. 202" and insert in lieu thereof "Sec. 203."

I. PURPOSE OF THE AMENDMENT

Mr. KEM. Mr. President, the amendment which has just been read by the clerk provides, in effect, that no funds appropriated from the United States Treasury for recovery and relief in Europe shall be used to further socialization of basic industries there. Specifically, it requires that no money shall be furnished to any Marshall plan country which undertakes to acquire in the future any basic industry for operation by the state. Under this amendment, no attempt is made to "unscramble the eggs," but it will prevent further use of American money in new socialistic schemes.

II. SEVERAL MARSHALL PLAN COUNTRIES ARE FAR DOWN THE ROAD TO A COMPLETELY SOCIALIZED STATE

Several of the Marshall plan countries are far down the road to a completely socialized state. England has already socialized nine of her most important industries, or approximately one-fifth of her total economy. Here is the complete list:

First. Coal mines.

Second. Civil aviation.

Third. Cable and radio communications.

Fourth. Inland transport; that is, railroads, motor transport, docks, canals, and so forth.

Fifth. Electricity supply.

Sixth. Land. The land itself is not nationalized but profits accruing from developing or improvement of land go to the state.

Seventh. Social welfare; that is, the doctors and the dentists.

Eighth. Bank of England.

Ninth. Radio broadcasting.

France has socialized the following 23 industries, or approximately two-fifths of her total economy. Here is the list:

First. Coal mines.

Second. Railroads.

Third. Civil aviation.

Fourth. Tobacco products.

Fifth. Manufacture of gunpowder.

Sixth. Match industry.

Seventh. Gas industry.

Eighth. Electricity industry.

Ninth. Insurance companies, that is, 34 companies.

Tenth. Bank of France.

Eleventh. Four leading deposit banks.

Twelfth. Aircraft industry.

Thirteenth. Renault automobile works.

Fourteenth. Dye corporations, that is, its German interests have been assumed by the state.

Fifteenth. South American cables.

Sixteenth. Motion-picture industry.

Seventeenth. Potash mines of Alsace.

Eighteenth. Potash industry, large governmental interests, although some portions are still privately owned.

Nineteenth. Telephone.

Twentieth. Telegraph.

Twenty-first. Postal service.

Twenty-second. Porcelain manufactory at Sevres.

Twenty-third. Tapestry manufactories of Gobelins and Beauvais.

Mr. President, in both countries, this process has been accelerated to a large extent by the use directly or indirectly of Marshall plan money.

III. SOCIALISM AND COMMUNISM

Mr. President, socialism and communism are fruit of the same tree, a tree which has its roots in the theories of Karl Marx. Both have the same objective—the nationalization of all industry, or, as Karl Marx used to put it, the abolition of private property and the means of production. The Communist is willing to resort to force and violence to attain this end. The Socialist believes the result can be obtained by peaceful means, or, as we say, by processes of gradual infiltration. But let me make it clear that the objective of both is the same, namely, nationalization of all productive industry.

Communism is the form of Marxism which has developed in Russia. The adherents of communism are in control of the Government of the U. S. S. R.—the Union of Soviet Socialist Republics. Socialism is a form of Marxism that has developed in England and in some of the other countries of western Europe, notably in France. The British Socialist Party is in control of the Government of Great Britain.

And so we are met with this strange paradox. The United States of America is spending billions of dollars in an effort to stop Marxist communism, but at the same time is spending billions of dollars to finance and promote Marxist socialism.

Winston Churchill said: "The Socialists are the handmaids and heralds of communism and prepare the way at every stage and every step for the future advance of communism."

We are told that one of the objectives of the Marshall plan is to earn the good will of the countries of western Europe in order that they will be our allies in any future conflict with Russia. We have heard that said on the floor of the Senate time and time again. But are we sure that we could count on that aid in an hour of need? Both Socialist Britain and Socialist France have 20-year military and economic alliances with Communist Russia. The miners' union of Great Britain is dominated by its secretary, Arthur Horner, a member of the Socialist Party, who has announced publicly that if England goes to war with Russia there will be no coal mined in England. Prime Minister Attlee said recently that in economic matters the British were looking to Russia rather than to the United States.

Does any Senator believe that it is possible to purchase lasting friendship with gifts, however munificent they may be? Do many Senators believe that what we have been doing has earned the respect of the thinking people of Europe? Here is a bit of evidence which should interest any Senator who does.

The Honorable Richard Crossman the other day rose and spoke in the House of Commons. Mr. Crossman is a member of the Socialist Party, and a member of Parliament from Coventry East. Incidentally, he is a well-known British journalist. In this speech Mr. Crossman referred to the American Congress as "An Insanity Fair." Let there be no mistake about what he said. He referred to the American Congress as "An Insanity Fair."

So, Mr. President, apparently even the Socialists of Great Britain are laughing up their sleeves at Uncle Sam as he hands out the money of American taxpayers.

IV. THE MARSHALL PLAN MONEY IS NOW BEING USED TO FINANCE AND PROMOTE SOCIALISM IN THE PARTICIPATING COUNTRIES

Mr. President, this amendment is by no means directed against Great Britain. I shall show as I proceed that conditions are substantially or somewhat the same in Great Britain, in France, in Holland, and in other countries of western Europe. But I shall discuss first the case of Great Britain because it is by far the largest beneficiary under the Marshall plan. The American taxpayers have already contributed over \$44,000,000,000 to Great Britain under various plans, most of them now unhonored and unsung. During the first year of the Marshall plan, Great Britain received \$1,239,000,000. Next year she is scheduled to receive well over \$900,000,000.

(A) STANDARD OF LIVING

If the United States had not financed the British Socialist program, it could not have been carried out.

Had it not been for the Marshall plan, the nationalization program of the British Socialist Party would have brought a standard of living to the British people they would not have been willing to

accept. As it is, the Socialist politicians have been able to say to their people: "You get more money for less work than ever before in the history of the island." As so, Mr. President, the Marshall plan has been used as a slush fund to keep these same Socialist politicians in power.

Winston Churchill recently said:

We have this extraordinary spectacle of a British Socialist Government living on capitalist America while at the same time they denounce the American system. Does anybody in his senses suppose that could go on indefinitely? And what would happen to the British Socialist Government if the American subsidy did not arrive punctually?

Here is another quotation from the same eminent Englishman. We have Mr. Churchill's word for it that—

The Socialist government and Socialist policy are living on the United States from month to month and from hand to mouth.

Yet, Mr. President, we hear Members of this body undertaking to argue that the Marshall plan has not financed and subsidized socialism in Great Britain. Apparently both the Socialists and the conservatives of Great Britain know a good deal about that.

(B) RAW MATERIALS AND MACHINERY

Marshall-plan funds have gone from America in the form of raw materials for Europe's socialized industries, machinery and equipment for them, and in many other ways. For example, Mr. Hoffman testified that modern American machinery has been furnished to the socialized coal industry of Great Britain.

(C) COUNTERPART FUNDS USED TO CANCEL DEBT

Perhaps the most direct way in which the American taxpayers have financed the socialization of industries in Great Britain is through the cancellation of the British national debt.

In Great Britain when industries are transferred from private to public ownership, the owners of the industries receive bonds of the British Government. Since August 1, 1946, the British Government has socialized the following industries at a cost of more than a billion five hundred million pounds sterling. I might say that these figures, Mr. President, have been checked by the Department of Commerce from official British sources. The dates given are those when the British Government vested itself with the ownership and control of the industry in question:

August 1, 1946, 20,000,000 pounds sterling, civil aviation industry.

January 1, 1947, 34,262,823 pounds sterling, cable and wireless industry.

January 1, 1947, 164,660,000 pounds sterling, coal industry.

January 1, 1948, 1,065,000,000 pounds sterling, railways and canals.

April 1, 1948, 350,000,000 pounds sterling, electric power industry.

March 1, 1949, 2,500,000 pounds sterling, gas industry.

Total, 1,636,422,823 pounds sterling.

The bonds which are issued in payment to the former owners of socialized industries are general obligations of the British Government. They are, for the most part, completely negotiable.

I want to correct an erroneous impression about that. At the time of the

hearings held by the Senate Appropriations Committee, Mr. Richard M. Bissell, Jr., TCA Assistant Deputy Administrator, testified in reply to a question by the senior Senator from Oregon [Mr. CORDON], that he believed there were limitations on the negotiability of these bonds. Later this statement was corrected by Mr. Bissell who furnished the following information, appearing on page 844 of the hearings:

It has been general practice in the United Kingdom for the bonds issued in payment to the former owners in compensation for the transfer of nationalized industries to the Government to be completely negotiable.

These bonds bear in most instances 3 percent interest. The bonds are dealt in on the London stock market, and fluctuate with the market. For instance, on June 28, 1949, the recently issued British electricity stock, which paid for electricity holdings when the government nationalized them, broke sharply in price.

The burden of this added debt assumed for the purchase of nationalized industries put a strain upon the financial structure of the British Government. Last year ECA came to the rescue. The British Government was permitted by ECA to use all the counterpart funds that had accumulated, except \$100,000 for cancellation of the British national debt. The amount used for this purpose totaled over 100,000,000 pounds sterling, or in excess of \$400,000,000.

To repeat, the British national debt was swollen by the purchase of the industries and the British national debt was reduced by the Marshall plan funds.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield at this point?

Mr. KEM. I yield.

Mr. DONNELL. Will the Senator please state what is meant by the expression "accumulated"?

Mr. KEM. The Marshall plan counterpart-funds, Mr. President, are accumulated in this way: When we send goods and materials as a grant to the British Government, the British Government sells them for pounds sterling. The proceeds are impounded in a fund called the Marshall-plan counterpart fund. It is in a direct sense the purchase price paid by the British people for the goods which come as a gift from the United States.

Mr. DONNELL. Mr. President, will the Senator bear with me for just another question?

Mr. KEM. I yield.

Mr. DONNELL. The Senator mentioned the term "stock" also in connection with the acquisition of—railways, was it?

Mr. KEM. Yes.

Mr. DONNELL. I wonder if the term "stock" is the equivalent of "bonds"?

Mr. KEM. Yes. The consolidated debt of Great Britain is familiarly known as stock. I think that term has been applied to it for many years. But the debt is represented by an obligation which is a promise to pay on the part of the British Government. In some instances it has no maturity date. I am told that some of the so-called stock issued to pay

for the Napoleonic wars is still in existence, because it never matured. But for our purpose I think we may consider that these obligations are what we call bonds, and are in all essential respects identical with the bonds issued by our National Government and State and municipal governments. They are public obligations.

Mr. DONNELL. I appreciate the Senator's statement.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MARTIN. Is the stock or bond a general obligation against the government, or is there a special obligation in the case of purchase of railroads, and another special obligation in the case of the acquisition of electric companies?

Mr. KEM. I am glad the Senator asked that question, because it is a very important and interesting question. The bonds are a general obligation of the United Kingdom. They are not in any sense income bonds, dependent for their service on the industry for which they are issued.

Mr. MARTIN. They are not self-liquidating, as are the obligations in connection with certain projects in the United States?

Mr. KEM. I presume the Senator has in mind projects such as the great Pennsylvania Turnpike, which is to be paid for from the profits of the turnpike. I understand that the purchase price is being rapidly amortized. I also understand that in that case the purchasers of the bonds knew when they were buying them that they were dependent upon the profits of the turnpike for their money. That is not true in the case of the bonds issued for the British national debt. I shall show, as I proceed, that almost without exception the nationalized industries have been losing money from the time they were taken over. If the holders of the bonds were dependent upon the profits of the industries they would be in a pretty sorry plight; but behind the bonds is the full faith and credit of His Britannic Majesty's Government.

I was about to say, Mr. President, that future students of the economic history of the United States may be intrigued by the fact that while we were paying the British national debt our own national debt remained above \$252,000,000,000; and I may say with rather poor prospects for its payment in the near future.

Sir Stafford Cripps, British Chancellor of the Exchequer, is very proud of the progress made by Great Britain toward debt reduction. He recently said:

Debt has never before been redeemed on anything like such a scale.

Of course not. Why should it not be redeemed on a large scale, with Marshall plan aid? There may be among some of us just a little feeling of regret that we do not have a rich and indulgent uncle overseas to concern himself about the retirement of the American national debt. I have not heard any suggestion that our children and our children's children were to be relieved from that burden in any part.

(D) LOSSES OF NATIONALIZED INDUSTRIES

In an even more direct way Marshall plan counterpart funds have been used to make up the losses in these nationalized industries. Most of Britain's socialized industries are losing money. During the first year after socialization the coal industry lost \$94,000,000.

The nationalized civil aviation industry lost \$44,000,000 during the fiscal year 1948. It is estimated that the loss for the fiscal year 1949 will be \$36,000,000. The nationalized transportation industry lost \$112,000,000 during the first year of operation. The electrical industry, during the first few months after socialization, lost \$28,000,000. These losses have to be made up. Here again our Marshall plan money comes into the picture.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MARTIN. Has the Senator any information as to whether or not the rates to the consumer have remained the same as they were under private ownership?

Mr. KEM. I have read in the press recently, and I have been told, that there is considerable complaint about the charges of the nationalized industries being raised. That is not very difficult to understand. The Socialist politicians who have been taking over these industries have been charged with the responsibility of making life quite easy for the employees. Employment in a socialized industry in Great Britain is something like membership in a club. No effort is made in any way to urge the employees to exert themselves unduly.

Mr. MARTIN. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am glad to yield.

Mr. MARTIN. Take the gas industry, for example. When it was nationalized or socialized several hundred units were consolidated into one unit. One of the statements made was that those units, when consolidated, could be operated with fewer personnel. What becomes of the personnel released from service by reason of the consolidation?

Mr. KEM. I understand that the Socialist Party in Great Britain has never concerned itself over the reduction of personnel in nationalized industries. I think the Senator from Pennsylvania can appreciate why.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. CAIN. I have found the Senator's references to the loss records under public ownership to be very interesting, and certainly provocative. In connection with the industries under public ownership to which the Senator has just referred, I wonder if he has the loss records of the same industries under private ownership in recent years gone by?

Mr. KEM. I do not believe I have, but I am led to believe that with the possible exception of the coal industry, they were not insolvent at the time they were taken over by the Government. I think the coal companies were generally in a very bad way. I shall make some reference to that point as I proceed in connection with the iron and steel industry.

Mr. CAIN. It seems to me, if I have correctly understood the Senator's remarks, that he has just said, with reference to a particular stated number of British industries, with the possible exception of the coal industry they are all losing more money under public ownership than was the case under their previous private owners.

Mr. KEM. That is the case; and if we are to be guided by what Patrick Henry called the lamp of experience, there seems to be every reason to believe that those losses will continue on an ever increasing scale.

Mr. CAIN. To put the question in another way, what is the future before Great Britain's industry, if and when Marshall plan moneys become no longer available for offsetting the losses to which the Senator has just referred?

Mr. KEM. I think most intelligent Britishers take a very dim view of the future.

Mr. CAIN. I thank the Senator for his observation.

Mr. KEM. Mr. President, I was just referring to the fact that the losses of the socialized industries of Great Britain must be made up in some way. Hugh Dalton, former Chancellor of the Exchequer, had this to say about the losses of the socialized coal industry:

It is quite true that the first year's working shows a deficit. It did not fall on the taxpayer—

I interpolate there to say that he means the British taxpayer.

It was covered partly by the resources of the industry itself and partly by short-term borrowing.

There you have it. The British use short-term borrowing to make up the losses in their nationalized industries. As I have just said, Marshall plan counterpart funds have been used in great amounts and profusely to retire that same British short-term debt.

Mr. MARTIN. Mr. President—

Mr. KEM. I am glad to yield to the Senator from Pennsylvania.

Mr. MARTIN. I apologize for interrupting the Senator.

Mr. KEM. I am glad to have the very interesting questions of the Senator from Pennsylvania.

Mr. MARTIN. The distinguished Senator from Missouri has presented so many most interesting and vital matters that I should like to ask this question: In the list is the proper amount of depreciation being taken into consideration?

Mr. KEM. I am sorry that I cannot tell the Senator definitely whether that is the case, but I feel that I would be well within the facts in saying that the bookkeeping is political bookkeeping. The Senator from Pennsylvania knows what that is apt to mean.

Mr. MARTIN. Mr. President, if the Senator from Missouri will permit an observation, let me say I think this matter is a very important one for us to consider. As the Senator knows, the water companies in America are rapidly moving into municipal ownership, and in very many cases not sufficient is being set aside for depreciation to maintain those companies at a proper standing. The taxpayer is being very much fooled.

If the Senator could secure that information, I think it would be very helpful to the American people in the consideration of the very important matter the Senator from Missouri is submitting to the Senate.

Mr. KEM. I shall be glad to do so. I appreciate the suggestions the Senator from Pennsylvania has made. I may say in passing that the information would have to be sought, I suppose, from the very public officials who are operating the industries.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. MALONE. I have noted that the Senator has explained very carefully that his amendment would prohibit the giving or loaning of money to European nations, through the ECA, if they continue their nationalization and socialization of property.

But what about the industries which we finance directly—that is to say, where we furnish the money and they build their plants, and the Government owns the industry to begin with. Is that to be continued, under the Senator's amendment?

Mr. KEM. Of course the ECA extends aid in the form of either loans or grants. I should like to say to the Senator from Nevada that in my judgment to call any of them a loan is a mere euphemism. I think we have learned by experience—we have learned the hard way, Mr. President—that the only country in western Europe that has shown any interest in paying back any part of its debt to us is the little Republic of Finland. In the case of all the other countries, although the loans were recognized by every formality known to international law and to the Anglo-American system of law, they have not been honored today.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MALONE. Then, any funds, whether loans or grants, expended in the initial construction of industrial plants or public utilities, probably will not be returned. Is there any provision for any other ownership except by the Government, when the project was so financed in the beginning?

Mr. KEM. I may say to the Senator from Nevada that, as realists, I think we must feel that all that is water over the dam.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I am glad to yield.

Mr. MALONE. In my conversation with Mr. Monnett about the famous Monnett 5-year plan, about which we have heard so much for several years, I spent several hours with him. He explained in detail what France needed, including electric utilities, generators, transportation, and various other improvements. After he had made his very fine explanation, I thought I thoroughly understood it. But to make sure that I did, I asked him if he meant that when they were completed they would be free of debt and would be owned by the Government of France. He said, "That is correct."

Mr. KEM. The debt is assumed by the American people.

Mr. MALONE. Of course. They have the money, but it is on the tax rolls here.

I said to him, "That is a little unusual to me. I have been in the engineering business for 30 years. We financed Boulder Dam, now Hoover Dam, and a great many other projects owned by the Government here, and every American industry follows the same procedure. We amortize these great investments over a period of many years, and we pay the interest. A piece of machinery, such as a generator, will be amortized for the life of the machinery, or for approximately 20 years; and the machinery is paid for by the time it is worn out.

But it is the Senator's idea, is it, that the investments and rehabilitated plants will go into Government ownership immediately? Perhaps the Senator's amendment would not touch that sort of ownership.

Mr. KEM. My amendment will not unscramble any eggs which already have gone into the pan. My amendment will prevent the further use of the money of American taxpayers for these purposes—in other words, for new and additional projects.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. FERGUSON. Does the Senator mean by his last answer that in case they already are operating public utilities or generators as a socialized or nationalized industry, a new generator could not be placed there?

Mr. KEM. No. I would interpret the amendment to mean that it does not reach any basic industries which already have been socialized.

Mr. FERGUSON. The enlargement of them, in other words?

Mr. KEM. Yes; I do not think it would. I think it says to these countries, "You must call a halt. If you take over any more basic industries, you will not get any Marshall plan money."

Mr. FERGUSON. Let us take a hypothetical case in Great Britain today: Does the Senator believe that steel has been nationalized to such an extent that this would not apply to steel?

Mr. KEM. The bill to nationalize the iron and steel industries has been passed by the House of Commons. It is now pending in the House of Lords. I take it that this amendment would say to the British, "If you nationalize iron and steel, you do not get any more Marshall plan money."

Mr. FERGUSON. Yes. From my inspection of a certain project, such as a plant for the manufacture of locomotives to be used on the nationalized railways, I judge that this amendment would not apply to that operation, if Britain continues in that field; but if they further socialize, this amendment would apply. Is that correct?

Mr. KEM. I think that is the case. Frankly, when the ECA authorization bill was before this body, the Senator from Michigan [Mr. FERGUSON] and the Senator from Iowa [Mr. HICKENLOOPER] joined me in offering an amendment which would have prohibited the use of

national aid, either directly or indirectly, in the nationalization or socialization of industries in any of the participating countries. The ECA and its representatives objected violently to that provision. They said we were giving them something they could not administer.

So, Mr. President, the amendment now is stated in such a form that it will be practically self-executing. It will simply be necessary to examine the record to see whether by the time of the passage of this act, the participating country has nationalized any industry.

Mr. MALONE. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. MALONE. I am impressed by the study the Senator has made of this subject and the large amount of material on it he has assembled. Does he have any idea whether England, France, and other nations that are in the process of nationalizing or socializing their industries could do so by assessing or taxing their own people, without the help of the United States?

Mr. KEM. We have the judgment of one of the greatest Englishmen of all times, who has said he wonders what would happen if the subsidy from America did not arrive punctually, and that the Socialist government and the Socialist Party are living from month to month and from hand to mouth on the American people. That was Mr. Winston Churchill.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. MALONE. As an interesting sidelight on this particular angle, I may say that some time ago I was in Birmingham, England, where I went through some of the steel mills and coal mines with my friend, Sir Ben Smith. While he was not in entire charge of the coal mines, a great many of which were operating, he had a good deal to say about them. I listened very carefully for several hours. That was in November or early December 1947, before the Marshall plan came officially before the Senate, although it had been thoroughly outlined and sold to the country, as is the usual procedure, before coming to the Senate. At that time he said he thought we should not call it a loan—we should continue it as a lend-lease operation, not expecting to receive back any of the money. I suppose the Senator from Missouri will agree with me that is about what it has developed into—lend-lease without any hope of a return of the money.

Mr. KEM. I agree thoroughly and entirely with the Senator from Nevada.

Mr. MALONE. That showed the British attitude at that time. If the Senator will yield further, I may say that, without any comment on my part, he finally said, "You know we control three-fourths of the raw materials of the world, and, if it is necessary, we can shut down on their use by any nation we care to preclude." That was an implied threat that if lend-lease, or that which is in effect lend-lease, a gift loan, were not continued, there

might be applied the pressure of not allowing the United States to obtain raw materials from the three-fourths area which he thought they controlled, and which, now, through the application of the sterling bloc, apparently they do just about control. Would it be the idea of the Senator that this whole plan was a sort of rounded-out plan to gain further control?

Mr. KEM. If the Senator will permit me, I should prefer not to engage in speculation. I have a great many facts to bring to the attention of the Senate. I should prefer to present the facts and then let the Members of the Senate draw their own conclusions.

Mr. President, I was just saying, Mr. Dalton pointed out that the losses of these nationalized industries do not fall on the British taxpayers. Of course, Mr. Dalton is correct; they do not fall on the British taxpayers; they fall on those whom Mr. Churchill has called "the heavily burdened people of the United States."

It possibly may be said the British Socialists would have attempted socialization of industries, whether they had obtained American aid or not, and that American aid is purely coincidental. If so, Mr. President, we may speculate as to what a Pandora's box of economic troubles they would have opened. As it is, the smooth and undisturbed flow of billions of American dollars, the river of cotton and wheat and raw materials of all kinds, have enabled the Labor Party to cushion the transition and render socialization relatively painless.

Socialism in England is being accomplished by the use of sedatives. The sedatives are the dollars from America, the economic soothing syrup provided by our taxpayers, "the heavily burdened people of the United States," to use Mr. Churchill's striking phrase.

V. SOCIALISM HAS SLOWED DOWN RECOVERY IN THE PARTICIPATING COUNTRIES

(A) WHY BRITAIN LACKS DOLLARS

Mr. President, I now want to say something about the dollar shortage in Great Britain, a thing about which we hear so much. Britain lacks dollars because she cannot produce sufficiently low-priced goods to meet the competition of other countries, and particularly the competition of the American free enterprise system. In order to get back on her feet, she must produce more goods at prices the people of other countries are willing to pay. Her welfare state expects the foreign markets to pay for some of her expensive experiments. For example, they expect the foreign markets to pay for socialized medicine, in part. But, more important, it now has become apparent that the welfare state lacks ingenuity, efficiency, and flexibility to produce the types and styles of goods foreign buyers want. I note the presence in the Chamber of the Senator from Indiana [Mr. CAPEHART]. As a manufacturer, he has had experience with that sort of thing. He knows that the goods have to be produced in styles the people want, at prices the people are willing to pay. That is just

where the British socialist, state-owned and state-directed industries have fallen down.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. KEM. I am glad to yield.

Mr. FERGUSON. I am wondering whether the Senator is able to advise the Senate as to where the term "welfare state" originated.

Mr. KEM. I am sorry, I cannot do that. I think it is a term that has been in the mouths of demagogues from the dawn of history.

Mr. FERGUSON. I noticed in yesterday's Post an article by Wadleigh, the man who confessed that he had given out certain papers from the State Department. He used the expression that he was a "Fabian Socialist," believing in the welfare state. I think the expression was, "believing also in civil rights." I wondered how he arrived at the use of the term "Fabian Socialist" and "welfare state," and, at the same time, how he could believe in civil rights.

Mr. KEM. I think, as I assume the Senator from Michigan does, they are wholly inconsistent conceptions. The welfare state requires regimentation of its people—the very antithesis of civil rights.

Mr. FERGUSON. And if there is Fabian socialism, which is a form of Marxism adopted at one time in Britain by a few, it would be in effect Marxism, and there must then be controls in order to operate under it.

Mr. KEM. Exactly.

Mr. FERGUSON. So that when in America we hear the expression "welfare state," a term which is increasingly used, it appears that those who use it also feel that there can be civil rights, such as those under the amendments to the Constitution of the United States which guarantee certain inalienable rights. Does not the Senator feel that the two are inconsistent?

Mr. KEM. I feel they are just as inconsistent as the representation that the welfare state will provide high prices for producers and low prices for consumers. I thank the Senator for his suggestion.

Mr. President, I was discussing the dollar shortage in Great Britain. As I was saying, the welfare state lacks ingenuity, efficiency, and flexibility to produce the types and styles of goods foreign buyers want. High production means more than hard work; it means skillful and resourceful management. Socialism sometimes means leisurely labor. Too often, socialism carries with it management that is dead on its feet. We are told on good authority that in England itself it is felt that the pound cannot be maintained much longer on its precarious \$4 perch.

(B) USE OF BRITISH LOAN

The chief reason that the United States loan to Great Britain which preceded the Marshall plan was ineffective is that at least \$2,000,000,000 were used

to expand the nationalization of industries.

Socialism in Great Britain has never been anywhere near self-supporting. That is why the whole loan of \$3,750,000,000 was exhausted within a year. It was mostly used politically rather than economically. There is every indication that Marshall-plan aid is being utilized for the same purpose.

(C) NATIONALIZATION IN FRANCE

Mr. Bertrand de Jouvenel, writing in *Human Events*, for July 20, 1949, has this to say regarding nationalization in France:

Nationalized industries are coming under a heavy fire of criticism in France. Although the shareholders were practically despoiled, and the yearly payment to them is a paltry charge upon the accounts of these industries, they run at a tremendous loss. Money has to be pumped into them continuously and in ever-increasing quantities by the treasury and through state banks. The working capital and the reserves taken over by the state when it was nationalized have been entirely dissipated.

This is not surprising since two objectives were assigned to the new managers: First they were asked to give a good time to the workers in these industries, almost to the point where they were to be made into comfortable clubs for those belonging to them; second, the managers were instructed to provide the services of these industries at low cost to the public.

They dutifully increased their expenditures and kept their prices abnormally low. Consequently they must call upon the state banks to provide them with credit even where they should be using their own capital, which they have lost, and they must call upon the treasury to cover their deficit, disguising most of it as "investment," which in most cases it isn't at all. The necessary funds are provided by the francs which the government obtains by selling to the French the goods given to it by the American Government and paid for by the American taxpayer. This is technically called the franc counterpart of Marshall-plan aid.

Mr. President, I should like to invite the attention of the senior Senator from Missouri [Mr. DONNELL] to the language of M. de Jouvenel as to what counterpart funds mean. He says:

The necessary funds are provided by the francs which the Government obtains by selling to the French the goods given to it by the American Government and paid for by the American taxpayer. This is technically called the franc counterpart of Marshall plan aid.

Mr. DONNELL. I thank the Senator.
Mr. KEM. I read further:

I would not have the American reader believe that any Frenchman is content with this abnormal state of affairs. As it comes to be understood it is felt by all, irrespective of party, to be morally wrong.

That is the end, Mr. President, of the quotation from M. de Jouvenel.

Mr. Hoffman, in his testimony before the Senate Appropriations Committee, admitted freely and frankly that British experiments in socialism were slowing down recovery there, causing an undue drain on Marshall plan dollars. His exact words were: "Socialism will slow down the (production) process." His testimony may be found on page 105 of the hearings of the Senate Appropriations Committee.

Mr. Hoffman also admitted these facts which bear out his statement: Last year the British steel industry, under private ownership, far exceeded its production goal. The socialized coal industry, on the other hand, fell below its official production target. Under a socialized operation the production fell off, notwithstanding the assistance the socialized operation had from the Marshall plan.

Mr. Hoffman further said that he believed "in an overwhelming percentage of situations, private enterprise is the better form of enterprise because it is the more efficient form of enterprise. It will produce more for less; it will serve the people better." In this I am in entire accord with Mr. Hoffman.

Mr. Hoffman further told the Appropriations Committee:

The job of ECA is to contribute to the recovery of the entire economy of the participating countries. In doing this we have, I believe, a clear duty to protest any government action that in any way slows down recovery, and thus reduces the total income produced by the economy and increases the burden of recovery on the United States.

Here is where the amendment now under discussion comes in. I believe it is the clear duty of the Congress to protect the American taxpayer from the use of our money by Socialist governments in a way that is slowing down recovery in Europe.

Mr. President, that is not my language; it is Mr. Hoffman's language—"slowing down recovery" in Europe.

It has been argued that the Marshall plan is the way to check the advance of socialism in Great Britain. Some profess to think that the Marshall plan will make the British so happy and contented that they will change their present course.

Apparently this is Mr. Hoffman's belief.

Let us look at the record. Keep in mind that the original Marshall plan law was signed by the President on April 3, 1948. Did the Socialist Government in Britain turn back from its program in view of the prospect of a golden flow of money from America? No; quite the contrary.

On April 12, 1949, a 5-year program for the Socialist Party in Great Britain was announced. In addition to the activities already socialized, including the medical professions, it is proposed that the government now take over the cement industry, all suitable mineral deposits, cold-storage facilities not already publicly owned, sugar manufacturing and refining, appropriate sections of the chemical industry, and two great insurance companies, both of which have vast investments in other business enterprises.

This program of the party in control of the affairs of Great Britain was approved on June 10 at a convention of the Socialist Party held at Blackpool, England.

So much for what they proposed to do. Let us see what they have done, what has actually transpired since the passage of the Marshall Plan Act.

On May 1, of this year, the British Government took over the gas industry,

seized it, and nationalized it. On May 9, the House of Commons passed a bill to socialize the all-important iron and steel industry. Does this look like the Socialist Party is turning back from its program? Does this look as if the British people have become so happy and contented that they are not insisting on further socialization?

Does this look like the nationalization of industry is being slowed up? If so, it is pertinent to ask, What would have been the progress in the absence of the Marshall plan and its golden flow of dollars from the United States? It is also pertinent to ask how would the British have financed the plan without American money?

We have a little evidence of what the British people think about that. William A. Richardson, editor of *Medical Economics*, recently spent a month in England. When he got home, in an address before the California Medical Society, Mr. Richardson quoted a member of the House of Commons as dismissing the huge cost of the socialization plan with this comment:

What does it matter, the Americans are paying for it.

On June 27, 1949, there appeared in the *Christian Science Monitor* an article by Mr. Roscoe Drummond, which purported to give the views of ECA Administrator Hoffman regarding this amendment. Effective July 15, 1949, Mr. Drummond became Chief of the Information Division, Office of Special Representative, Paris Office, ECA.

I noted with particular interest Mr. Drummond's statement in his article that "nationalization springs from depressed economic conditions, not from prospering economic conditions. In Britain, for example, it has been the depressed industries to which nationalization has been applied." Yet in an Associated Press dispatch carried in the *Christian Science Monitor* on July 13, 1949, it is stated:

The British iron and steel industry sent its production to the highest level in history for the first 6 months of this year. A total production of 7,949,000 tons was a new record and was 384,000 tons more than the first half of last year.

Obviously the British iron and steel industry cannot be classified as a "depressed" industry. Nevertheless, the Socialist Government is proceeding full steam ahead with its plan to nationalize this all-important industry.

The purpose of pushing through the nationalization of the iron and steel industry is very evident from the remarks of one of the Socialist members of Parliament who said during a debate:

Once we have nationalized steel we shall have broken the back of capitalist control of industry in Great Britain and its domination forever. If that happens, whatever party is in power, we shall be a socialist state.

VI. THE AMENDMENT WOULD NOT CONSTITUTE AN UNUSUAL OR UNWARRANTED INTERFERENCE IN THE INTERNAL AFFAIRS OF ANOTHER COUNTRY

Mr. President, it is sometimes said that the adoption of this amendment would constitute an interference on the part of the United States in the government

or in the economy of a foreign country participating under the Marshall plan. I noted that the chairman of the Senate Committee on Foreign Relations, the senior Senator from Texas [Mr. CONNALLY], was quoted in the New York Times this morning to that effect. In other words, it is argued that the United States, by the adoption of this amendment, would assume to dictate the internal affairs of other countries.

This is the old argument that we should not place any strings on Marshall-plan money. That argument just doesn't hold water.

(A) IT IS IN ORDER FOR CONGRESS TO PLACE STRINGS ON THE MONEY OF THE AMERICAN TAXPAYERS

The money that the United States Government is allotting to foreign peoples is only available from taxes taken from American citizens. If the Congress believes that any allocations would further the nationalization of European industry and would not therefore accomplish the purpose for which it is intended, that is, the rehabilitation of the European economy, then Congress is not justified in allocating such funds.

The amendment I have proposed does not give any direction to any foreign government. Let me make that abundantly clear, the amendment which I have proposed does not give any direction to any foreign governments. These governments would be entirely free to go on with their nationalization program and decline to accept the funds from the American Government. There is no reason why the American taxpayer should pay to further socialization of Great Britain if the American people believe it would be harmful to our own country or harmful to the people of Great Britain—if it would be harmful to us or harmful to them, or harmful to both. It just does not make sense. If conditions were turned about, can you imagine any foreign Socialist or Communist advocating that his country give funds to the United States to further the private enterprise system?

It is clearly in the interest of the British people, as well as in the interest of the people of the United States, for Congress to inform the British Government that further aid will not be forthcoming if additional industries are socialized. It is entirely possible that such a stand taken by Congress—if the Congress would firmly take that position—would be welcomed by the British Government as well as by the British people. The British dilemma is becoming worse day by day. This is due in an important way to the socialization which has already been accomplished and which it is proposed to undertake.

Since this amendment has been proposed I have received numerous letters from people living in Great Britain. I wish to quote from two or three of them very briefly.

A British lady recently wrote me from Devon, England:

What a pity aid cannot be conditioned on preventing further nationalization. The squandering and mismanagement grows daily, and all for power. The country's good is not considered. It's amazing that Con-

gress cannot see more clearly the appalling waste of United States generosity.

A gentleman from Salop, England, has written me:

If Marshall aid is to continue, then America must call a halt * * * to British nationalization.

Another Britisher wrote me—and I invite the attention of the Members of Congress, recently characterized in the British House of Commons by a Socialist member as "an Insanity Fair," to his language:

I don't like to use the word "saps" but don't you Yanks realize just where and how your money is being spent—on nationalization, of course. The Minister of Housing and Health is the arch promoter of nationalization. He has spent millions of your good money on utter wastefulness and inefficiency. So has the Minister of Food.

(B) THE ECA ACT AUTHORIZES THE ADMINISTRATOR TO PLACE CONDITIONS ON THE GRANTS OF AID

Mr. President, really the argument that if we adopt this amendment we will be interfering in the internal economy of another country, and therefore that we should not adopt the amendment, is interesting, to say the least. The whole Marshall plan is an interference in the internal affairs of the countries of western Europe on a gigantic scale. The Marshall plan law itself provides for bilateral agreements between the United States and the participating countries. These agreements contain many restrictions on the use of our money.

Section 115, subsection (b) of Public Law 472, Eightieth Congress, the original Marshall plan authorization law, provides:

In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

I should like to sketch very briefly the purposes for which the ECA Administrator is authorized by the present law to restrict our money.

1. Promoting industrial and agricultural production.

2. Taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

3. Cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services.

4. Making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country.

5. Facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock piling or other purposes, for such period of time as may be agreed to, and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources.

6. Placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United

States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis.

I should like to say to my distinguished colleague from Missouri that, that provision is the origin of the so-called counterpart fund.

7. Publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title.

8. Furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title.

9. Recognizing the principle of equity in respect to the drain upon the natural resources of the United States.

10. Submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

So, Mr. President, how can it be argued that there are now no restrictions on the use of our money under the Marshall plan, and that to place an additional restriction would be out of order and inconsistent with the purposes of the act? We have already in the existing law placed many more and many more exacting restrictions than any proposed in any legislation I have any knowledge of which is now pending before Congress.

During the hearings before the Senate Committee on Appropriations, I questioned Administrator Hoffman on the matter of bilateral agreements. On page 279 of the Senate committee hearings appears the following colloquy:

Senator KEM. Now, you have not hesitated in exacting and requiring those conditions in dealing with these foreign countries, have you?

Mr. HOFFMAN. No, sir. We have entered into these bilateral agreements, Senator, and in every case we have tried to establish those conditions which would promote recovery.

And yet we hear Mr. Hoffman at another time testifying that socialism slows down the production process. Clearly if socialism slows down the production process it fails to promote recovery. On the contrary, it retards recovery. Yet we find Mr. Hoffman arguing with a straight face to the distinguished members of the Senate Appropriations Committee that he cannot interfere with the socialization process because it would be inconsistent with the purposes of the Marshall Plan Act.

So, Mr. President, it certainly is inconsistent to object to the amendment which the distinguished Senator from Nebraska, the distinguished Senator from Arkansas and I have proposed upon the ground that it restricts the use of the money by a participating country, when we have already, as I have shown under the original act, tied 10 strings on the use of Marshall-plan money, that is in 10 paragraphs we have authorized the Administrator to tie string after string

after string. I would not undertake to enumerate how many strings. I should not say 10 strings, but I should say 10 classes of strings.

(C) THE UNITED STATES DECLINED TO GIVE AID TO SPAIN FOR THE REASON THAT WE DID NOT APPROVE OF ITS FORM OF GOVERNMENT

The reason assigned for the failure to include Spain among the participating countries is that the OEEC and the United States do not approve of its form of government. Let us see how consistent we are in this matter. We said to Spain at the outset of the plan, "You cannot have any of this Marshall-plan money. Why can you not have it? You cannot have any money because we do not like the kind of government you have in Spain. If you change that government to suit our ideas and our wishes, come back and we will talk to you again."

Mr. President, is it consistent under those circumstances for us to raise our hands in holy horror at the suggestion that it would be wise and in the interest of the United States for England to discontinue her process of nationalization?

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Missouri yield to his colleague from Missouri?

Mr. KEM. I yield.

Mr. DONNELL. In addition to the thought of further nationalization along the line of steel and iron in England, has the Senator before him information as to what particular phases of industry it is now contemplated are apt to be immediately or sometime in the near future nationalized?

Mr. KEM. Yes; we have the benefit of very full information on that subject.

Mr. DONNELL. I may say that I was called out of the Chamber for a few moments and may have missed the Senator's statement on that point.

Mr. KEM. I referred to that matter, and I should like to speak of it again for the information of my distinguished colleague and of any other Senator now present, who might not have been present when I spoke of it.

On April 10 a 5-year program was promulgated by the British Socialist Party. In addition to the activities already socialized, including the medical profession, it is proposed in that program to take over the cement industry, all suitable mineral deposits, cold-storage facilities not already publicly owned, sugar manufacturing and refining, and appropriate sections of the chemical industry, and two great insurance companies, both of which have vast investments in other business enterprises. That program, promulgated under date of April 12, was approved at the national convention of the Socialist Party held at Blackpool on June 10.

Mr. DONNELL. I thank the Senator for repeating that information.

Mr. KEM. In addition to that there are a number of industries which are in process of socialization, particularly, and the outstanding and most important of all, the iron and steel industry. The status with reference to the iron and steel industry is that the bill, having been

passed by the House of Commons, is now pending in the House of Lords.

I was referring to the operation of the Marshall plan in Spain, at least it would be more accurate, Mr. President, to say the lack of operations or the dearth of operations.

(D) WE HAVE INTERFERED IN THE ELECTIONS OF ITALY

Let us see about Italy. We often hear that one of the outstanding accomplishments of the Marshall plan is the victory against communism in the Italian elections in April 1948. Like most Americans, I rejoiced at the result of that election; but let us see whether we interfered or not. We find Hon. James Clement Dunn, American Ambassador to Italy, taking an active part in the campaign and making political speeches in many parts of the Italian Peninsula. We find Hon. Tom C. Clark, Attorney General of the United States, in a radio broadcast to the Italian people a few days before the election, asking for defeat of the Communist forces. After the election, we find Mr. Harriman, ECA Roving Ambassador, laying particular emphasis on the political effect of American aid.

I wish to make it abundantly clear that I do not criticize what we did in Italy. I might not be so charitable about what we have done in Spain, but I do not criticize what we did in Italy. However, I do say it is too late for us to raise our hands in sanctimonious piety and say, "We cannot interfere in the government of any foreign country," or "We cannot interfere in the economy of any foreign country."

(E) ENGLAND DOES NOT HESITATE TO PLACE RESTRICTIONS ON THE MONEY SHE LOANS TO FOREIGN COUNTRIES

For many years the British people have been giving and lending money around the world. The other day the Senator from Virginia [Mr. ROBERTSON] referred to certain investments made by the British people in his own State in the period immediately following the Civil War. He spoke very feelingly of the devastation which had occurred in his State in that great conflict. But, Mr. President, he failed to mention any gifts or grants which the British people had made to rehabilitate the economy of the Southland. I speak with some feeling on that subject, because certain portions of my native State of Missouri were laid waste in as devastated a condition as was to be found in any part of western Europe in the late conflict.

Now, let us see what happens when the shoe is on the other foot. It is well known that in the past England has made many loans and grants to other countries. The most recent one I know of is the grant she made to Greece early in 1946, just before we placed our head in the yoke and assumed the burden there. At that time Britain loaned Greece £10,000,000, or approximately \$40,000,000. At the same time England was seeking a loan from the United States in the amount of \$3,750,000,000.

The idea is sometimes suggested that the British are a proud people, and that we ought not to place any restrictions on any money we ask them to accept from us. The Greeks have a glorious history.

Let us see whether Greece was too proud to agree to restrictions when money was coming from Great Britain to Greece. On page 850 of the hearings conducted by the Senate Appropriations Committee appears the complete text of the financial and economic agreement between His Majesty's Government in the United Kingdom, and the Greek Government, London, January 24, 1946. Great Britain sent out this money, and it placed 10 drastic restrictions on it. Here they are:

The Greek Government for their part will take the following measures:

1. An early announcement will be made by the Greek authorities fixing a new rate of exchange between Greek currency, on the one hand, and sterling, United States dollars and other foreign currencies on the other hand.

That is another thing we have been told is sacrosanct. We have been told that we cannot touch that question in the case of the British, the French, or any of the other peoples of western Europe. Yet we find that our friends in the British Government, when they send money to Greece, do not hesitate to make such provisions in explicit terms.

2. The Greek Government will deposit as cover for the currency in the special account referred to above £15,000,000 or the equivalent thereof from the foreign exchange resources of the Bank of Greece in addition to the £10,000,000 to be contributed by His Majesty's Government.

3. The Greek Government, as a further measure to establish confidence in the currency, will by Greek law set up a currency committee which will have statutory management of the note issue. The committee will consist of the Greek Minister for Coordination as President, the Greek Minister of Finance, the governor of the Bank of Greece, a member of United Kingdom nationality and a member of United States nationality, whom the Greek Government will invite to act as members of the committee. New issues of currency will only be made with the unanimous approval of the committee. The two governments agree that the functions of this committee will not extend over more than 18 months or, by agreement, 2 years.

4. Foreign exchange received from exports and in respect of remittances will continue to be offered for sale to the Bank of Greece.

5. The Bank of Greece will convert Greek currency into foreign exchange for imports and for other approved purposes including approved capital transactions.

6. The Greek Government will frame a program for progressively reducing and as soon as possible eliminating the budget deficit by increasing the proceeds of taxation and reducing nonproductive expenditure. The Greek Government will publish monthly statements showing the progress made in carrying out this program.

7. Wages and salaries will be readjusted in the light of the new rate of exchange and will be kept stable.

So we find His Britannic Majesty's Government in Great Britain not hesitating to make provisions with respect to salaries and wages in Greece, when it sent out the paltry sum of \$40,000,000.

8. A system of price control over rationed items and allocated materials will be established.

9. The Greek Government will work out in agreement with UNRRA plans for increasing the price of UNRRA goods and reducing the number of indigents who receive free rations. So far as possible, the Greek Govern-

ment will require indigents to work in exchange for their UNRRA rations.

I suppose I should apologize for mentioning UNRRA on this occasion. It is not a very happy recollection.

10. All possible measures will be taken to restore industrial and agricultural production, so that the standard of living may be improved and a basis may be afforded for adequate and equitable taxation.

In view of the arguments which have been made about placing restrictions on our money, I should like to quote very briefly from the debate which took place in the House of Commons when the British were contemplating sending out the paltry sum of \$40,000,000 to the Greek Government. I quote from Mr. Lipson, of Cheltenham:

We ought to give the matter further consideration before we indulge in acts of generosity of this kind. We call it a loan. That is a euphemism for a gift. It is quite obvious that if Greece goes on as she is doing she will not be able to repay this loan. * * * The people of this country ought to have more explanation before a sum of money like that is lent to another country, and ought to be assured that the money will be wisely used.

That is the way the British House of Commons looked at it when the British were sending out \$40,000,000, or 10,000,000 pounds. Are we to be criticized or censured for looking with some care to see how the hard-earned money of the American taxpayers is to be spent in this connection? I suppose I should really say the hard-earned money of our children and our children's children, because I sat in the Appropriations Committee and heard Mr. Hoffman calmly suggest that this program be paid for, if necessary, by deficit financing. Mr. President, it seems to me that it is one thing for us calmly to dispose of the money of the American taxpayers, and it is quite another thing for us to place a lien on the people of the United States and on the United States itself for this purpose. That is what the ECA Administrator has suggested to us without batting an eye.

As I have said, only \$40,000,000 was involved in the British loan to Greece. But we find that the logic of Mr. Lipson, of Cheltenham, prevailed; the British Government placed very drastic restrictions upon their money. The representatives of the British Government felt it was incumbent upon them to see that their people were assured that the money would be wisely used. In the British Parliament that argument prevailed, and that was the action taken. Those strings were tied to the money of the British taxpayers. Mr. President, I ask in all seriousness, can the proposition be sustained that the United States Congress should be any less diligent in dealing with American money going to England?

According to the newspapers, Mr. Hoffman recently admitted that the bilateral trade agreement between Britain and Argentina—an agreement in which the people of my own State, as producers of beef, are vitally interested—"is something which may require a drastic crack-down on Marshall-plan funds." If Administrator Hoffman can crack down on

Marshall-plan funds in that case, why does he object to having the Congress of the United States crack down on the use of Marshall-plan funds in this case? Is the crack down something that is a prerogative of the bureaucrat, to the exclusion of the elected representatives of the people? Is it only Mr. Hoffman who can crack down? Is a similar action by the Congress in a much more important instance improper, unfair, and to be depreciated? It seems to make a great deal of difference, Mr. President, on which foot the shoe happens to be. If Mr. Hoffman wants to do the cracking down, he thinks it is entirely proper that he do so, and he says he will not hesitate to do so. But if the Congress sees some inequity or some impropriety in the use of Marshall-plan funds in England, France, or some other country of western Europe, Mr. Hoffman says that an amendment restricting the use of the money would be very unfortunate because it would be an interference with the Government or the economy of that country. Mr. President, I ask in all fairness: If it would not be an interference for Mr. Hoffman to crack down in the case of the agreement between Britain and Argentina, why would it be an interference for the Congress to act in this instance?

VII. COMPETITION WITH NATIONALIZED INDUSTRIES IS UNFAIR TO AMERICAN BUSINESS AND AMERICAN LABOR

Mr. President, I now come to the final proposition to which I shall address myself. It is probably the most important of all. That proposition is this: The funds which Congress appropriated for economic rehabilitation in Europe are being used to build up a competing economic system. Surely this system will rise to plague us in the years to come, if we let it continue to be built up.

Sir Stafford Cripps, British Chancellor of the Exchequer, has said that his most important objective is to export more goods to foreign markets, particularly the United States. J. Harold Wilson, president of the British Board of Trade, has said they plan to increase their markets in the United States by 30 percent. That would be all right if they were talking about private enterprise, if they were talking about private competition, but that is not what they were talking about. American business men and working men have always prided themselves upon their ability to meet fair competition anywhere, at any time. All our people have ever asked is an even break. But, Mr. President, we have placed on our statute books, and we have enforced for many years, regardless of what party is in control of our Government, rigorous laws defining fair competition. It is inconsistent with the entire philosophy of the American system to permit a monopoly to compete with private initiative and private enterprise.

As I have said, in competing in the markets of the world, all that our people have ever asked for is an even break. But now we are helping to create in Europe by the use of the money of the American taxpayers, great national monopolies or cartels, and we are setting them up in business to compete with

American industry and American labor. Mr. President, as we have learned, and learned the hard way, the trouble with competition with a monopoly is that, in the American sense, it is not fair competition.

Nationalized industries enjoy freedom from taxation, government financial support, and a monopoly of home markets. This will enable them to carry on dumping operations at will in other countries, including the United States. Mr. President, it is interesting to recall that when Mr. Truman was a Member of the United States Senate, he was an outstanding crusader against cartels and monopolies. Yet, during his administration as President of the United States, this type of competition is being created in much of Europe today through the application of Marshall plan dollars. My position is that we should cease to underwrite these nationalized monopolies.

Today unemployment is increasing throughout the United States. A major contributing factor to this unemployment may be found in Europe's socialized monopolies, financed in part by Marshall-plan funds. The existence of these monopolies and the expansion and extension proposed for them are a threat and a challenge to the free-enterprise system in the United States. Is it surprising that their existence and proposed extension and expansion are having a depressing effect on business managers and entrepreneurs in this country generally? Is it surprising that we find the demand for capital goods in this country rapidly declining, and in some industries, in some parts of the United States, drying up?

Mr. President, because of the lack of time, I shall omit the discussion of certain of these industries. I should like to talk about the textile industries, concerning which the Senator from North Carolina knows so much; I should like to talk about the iron and steel industry, concerning which the Senator from Pennsylvania knows so much; but I am going to talk about one industry only, the airplane industry.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WHERRY. I am very much interested in this particular part of the argument of the distinguished Senator from Missouri relative to the amendment he has offered.

Mr. KEM. In which, I may say, the Senator from Nebraska joined.

Mr. WHERRY. Yes; and with which I am in entire sympathy. The question I should like to ask the distinguished Senator is with reference to the exports coming into the dollar areas of goods manufactured, produced, and fabricated under nationalistic government set-ups. I do not know whether the Senator is familiar with all the evidence, which is extensive, but I ask him whether he recalls my asking a question of Mr. Hoffman as to what he thought about peril points established in reciprocal-trade agreements to prevent the disastrous effects suffered by some of our own industries which are feeling the impact of the very kind of competition the distinguished Senator has mentioned? I agree

with many of those who contend that in many instances we ought to take care of ourselves on a competitive basis with imports coming into the United States. But the Senator, I am sure, is well aware of the complaints which have been coming to many Senators, and to himself, relative to the textile industry. Before the committee to study and investigate the problems of small business folded up, we received a great many letters from the different areas of the country that were feeling the impact then of importations.

If the Senator will permit, I should like to ask whether he recalls this colloquy which took place between Mr. Hoffman and myself in the hearings on the foreign aid appropriation bill for 1950, as set forth on page 128 of the hearings:

PERIL POINT IN RECIPROCAL TRADE AGREEMENTS

Senator WHERRY. I have one more question, Mr. Hoffman.

Last night I asked you what you thought about having a peril point here in our reciprocal trade agreements law to prevent excessive exports into this country from ECA countries, where exports will become excessive. What do you think about that?

You did not answer the question for the record. I am speaking now primarily of the textile industry, but that can include any others in that category.

What do you think about a peril point in our proposed legislation that will prevent the excessive flooding of such importation so as to cause an impact such as we have now? Would you be for the peril point in the legislation?

Mr. HOFFMAN. I cannot answer that not because I am ducking, either, but because I do not know about the reciprocal trade agreements.

I was asked to go into that, but I said that I have trouble enough without going into that.

The point I want to bring to the attention of the Senator is this: It is no reflection upon Mr. Hoffman. He is a very able administrator. But here is one who sets up or approves the quotas for the importation of goods into the United States. Should not one who sets up those quotas, based upon their own justification, have a tremendous knowledge of what the impact is going to be on an industry such as the textile industry? Should he not know about the peril points, and when imports from Great Britain and other countries become so extensive as to cause unemployment, of which the distinguished Senator has just now spoken, because of their impact upon the economy of this country, should the Administrator of ECA not only know of those things, but should not the Administrator begin to realize what it means to have such foreign goods sold in dollar countries, when it has that kind of impact upon our own economy?

Mr. KEM. I am very glad the Senator from Nebraska referred to that important colloquy. I remember it very well. I also remember that on another somewhat similar occasion when Mr. Hoffman was somewhat in a corner, his reply was that he was an automobile manufacturer, and he knew the conditions of that industry; but he seemed to think there was no reason to require of him any knowledge of conditions in

other industries, the economic condition of which his orders so vitally affected. I thank the Senator for his interesting contribution.

As I was saying, today unemployment is increasing throughout the United States. The major contributing factor of this unemployment may be found in Europe's socialized monopolies, financed in part by Marshall-plan funds. As I previously said, the very existence of these monopolies, with the proposed plans for their expansion and extension, is bound to have a depressing effect upon American businessmen and American entrepreneurs. I want to refer, just as one example, to the airplane industry. I wish time permitted and that the patience of Senators would allow the discussion of some of the others. I wish to say in passing, so there will be no doubt about what I mean, that the effect of these nationalized industries, to date, probably has not been so important in the United States as in markets which are normally served by the United States. I do not know nearly so much about the textile industry as other Senators sitting here know, but I have been told that the incidence or impact of what the Marshall plan has been doing on manufactured fabrics occurs principally in markets outside the United States, in which we have to compete with the nationalized industries of Europe, to which we have been shipping our most modern American machinery, to which we have been sending American experts on production and American experts on marketing, to show what to make and where to sell it.

The ECA procurement authorization for aircraft, parts, and accessories from April 3, 1948, through May 31, 1949, reads as follows:

Norway.....	\$900,000
Denmark.....	900,000
Netherlands.....	21,300,000
France.....	18,600,000
Italy.....	5,000,000
Belgium-Luxemburg.....	1,900,000
Greece.....	600,000
Ireland.....	500,000
Total.....	49,700,000

We have sent \$49,700,000 to foreign countries, to set them up in the airplane business; that is, in the business of operating airways.

Aircraft financed with the assistance of ECA, either in whole or in part, are as follows:

France: Six Constellations, nine used DC-4's, and one used Constellation.
Holland: 2 Constellations, 6 DC-6's, and 12 Convairs.
Belgium: Six Convairs.

In addition to this, four Boeing Stratocruisers were recently purchased by the British Overseas Airways Corp. from Sweden and it is reported the BOAC plans to spend \$15,000,000 to buy 10 more ships direct from Boeing.

Mr. President, you may be interested in the fact that when we send equipment to overseas foreign air lines, we send none but the best. We send Boeing Stratocruisers and Constellations.

In the case of the British deal, the Scandinavian Consortium sold the Boe-

ing Stratocruisers. They paid for them in dollars obtained from the Export-Import Bank of the United States. Then, the British bought them with pounds sterling from the Scandanavian Consortium. The Senator from Maine [Mr. BREWSTER] is very familiar with the transaction. I note he summarized it in this way, in a hearing before the Committee on Interstate and Foreign Commerce of the Senate:

ECA makes it possible for the British Government to divert their own funds for this purpose.

Bear this in mind, Mr. President, regarding the deals with foreign governments with respect to air lines. In every case an air line which is assisted by the Marshall plan is a Government-owned-and-operated monopoly. They are all nationalized. They are all competing directly with American private enterprise.

I should like to direct the attention of the Senate to page 169 of the committee hearings. At that point I was questioning Administrator Hoffman concerning the nationalized overseas air lines. The following colloquy occurred:

Senator KEM. In the case of Great Britain, it is a government monopoly. That is correct, is it not?

Mr. HOFFMAN. Yes, sir.

Senator KEM. In the case of Belgium it is a government monopoly, is it not?

Mr. HOFFMAN. Yes, sir.

Senator KEM. In the case of the Netherlands it is a government monopoly, is it not?

Mr. HOFFMAN. Yes, sir.

Senator KEM. In the case of France it is a government monopoly, is it not?

Mr. HOFFMAN. Yes, sir.

Senator KEM. Those government monopolies are in direct competition with American private capital and private businessmen that are trying to get along in the same business; is that correct?

Mr. HOFFMAN. Yes, sir.

Senator KEM. Are you, or are you not, furnishing Marshall plan money to any of these countries to buy the very latest airplanes to engage in this business?

Mr. HOFFMAN. Yes, sir.

Mr. President, what effect do you suppose this has on American competition? Here is an example: In the annual report of the American Airlines, Inc., an explanation to the shareholders appears of why American Airlines, Inc., decided to dispose of its interest in a foreign overseas operation. This is the explanation given:

It is evident that American Overseas will in the future require additional capital, and, if so, it must secure most of that from its principal stockholder, American Airlines. American Airlines presently has no source from which it can reasonably secure such additional funds.

Of course, Mr. President, under existing law, foreign competitors have a very useful source, and that is Mr. Hoffman and his ECA funds.

In other words, the American Overseas Lines' equipment, consisting of Constellations and DC-4's, may soon be obsolete. Because of the history of the lines, there may be difficulty in securing risk capital on reasonable terms. While this is going on direct competitors in Europe, England, Belgium, the Netherlands, and

other countries are being financed by the money of the American taxpayers.

This example may be duplicated many times over in the American economy. American businessmen have a right to look to the American Congress for their protection.

Let us look at the situation in Belgium. Sabina, the Belgian air line, has received six Marshall plan Convair air liners which cost about \$450,000 each. Air lines running out of St. Louis, for instance, such as Chicago & Southern, apparently cannot afford Convairs. They operate modest DC-3's and DC-4's. And so it goes. I mention that because it is the situation in my own State.

When the Senate Committee on Foreign Relations was considering the Marshall plan, Senator GEORGE said to Administrator Hoffman: "You may be putting a whole lot of industry in this country out of business." Mr. Hoffman's comment was, "Sir, I cannot tell you how little concerned I am about European competition."

I think I can speak for the American Congress when I say we are concerned whether our people are going to be out of work, whether our shops and factories are going to be closed. We of the American Congress are concerned whether the markets for American cotton, grain, and beef are going to be displaced by bilateral agreements with Russia, the Argentine, and other countries. Congress is concerned as to the result of our efforts to compete with foreign socialized industries financed by our own money.

Mr. President, I should like to summarize in this way: For my part, I do not believe the money of the American taxpayers, earned under a system of free enterprise and personal initiative, should be wasted in experiments in European socialism.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. I have heard the Senator in the Appropriations Committee on this subject, I have listened to much of his speech today, and I have great respect for his integrity of character and purpose. Some time ago during the course of his speech the Senator said we should do nothing harmful to the European countries or harmful to our own country in working out this program. Is not the purpose of the program—at least, that is as I see it, and that is why I voted for it—to protect our security; and if we are going to protect our security, must we not keep the respect and friendship of the nations we are trying to help and encourage them to help themselves? Is not that the essential basis upon which we must work?

Mr. KEM. That is a very interesting suggestion. The Senator from Massachusetts is a man of wide experience and extensive knowledge of human nature. I should like to ask him if there is anything in his experience which leads him to believe that lasting friendship can be bought with money, or with gifts, however munificent?

Mr. SALTONSTALL. I was asking the Senator from Missouri a question,

but I am glad to answer his question by saying, of course, we cannot. We are trying, however, to build up our security, and we are doing that by helping those nations help themselves. We want to keep their friendship and their help in order to aid our own security. The Senator from Missouri knows, as do I, that we resent very much any foreigner telling us how to run our internal affairs. It usually hurts his case rather than helps it. If we tell England how to operate her own internal affairs, are we not ruining the effect of the program and hurting our own security, which we are trying to build up?

Mr. KEM. A few days ago a Socialist member of the British Parliament referred to this body and our coordinate body as "an insanity fair." That would seem to indicate that what we are doing does not appeal to the intelligence of our friends across the water.

Let us see whether we are securing their affection and esteem—

Mr. SALTONSTALL. I should prefer to use the word "esteem" rather than the word "affection."

Mr. KEM. I will strike "affection" and say "esteem," to comply with the suggestion of the Senator from Massachusetts.

We find Mr. Clement Attlee, Prime Minister of Great Britain, saying that in economic matters the British look to Russia rather than to the United States. We find Mr. Arthur Horner, the head of the powerful coal miners' union of Great Britain, saying that in case of war between England and Russia, no coal would be mined in England. We find His Britannic Majesty's Government entering into 20-year military and economic alliances with Russia. We find His Majesty's Secretary for Foreign Affairs, when he came to Washington to negotiate the North Atlantic Pact, taking great care to say to the other friends of Great Britain that he wanted it distinctly understood that any engagement into which he was entering on that occasion had nothing to do with previous engagements, which were regarded as equally binding upon the Government of Great Britain.

Mr. SALTONSTALL. I know that the Senator did not vote for the ECA program, but assuming the program is in existence, does not the Senator agree with me that the purpose of the program is to increase our own security?

Mr. KEM. Yes; and I tried to explain that, in my opinion, as it is being carried out, the program is defeating its very purpose. Our program has been to increase production in Great Britain, France, and the other countries of western Europe, but we find Mr. Hoffman appearing before the Committee on Appropriations and saying that socialism slows down the production process.

Mr. THYE. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield to the Senator from Minnesota.

Mr. THYE. What imports have we received from western European countries which have affected our own economy, in the matter of employment of men and women in the United States?

Mr. KEM. I am glad the Senator asked the question, because I want to make myself entirely clear. As I previously stated, the impact of the competition so far has been principally in other countries to which our businessmen customarily look, and it is the deprivation of those markets that has hurt the textile industry, the iron and steel industry, and other industries. But the airplane industry is a very definite example of what that competition does right here at home. We find that the British, Belgian, French, and Dutch monopolies land at airports in the United States competing with American private industry, using the funds of the American taxpayer for that purpose. Under those circumstances, we find ourselves subsidizing American air lines in order that they may meet competition.

Mr. THYE. Will the Senator yield at that point?

Mr. KEM. I merely wish to make one other point. It seems to me that there may be some semblance of fact in the comment of our British friends that we have been running an "insanity fair," when we find ourselves giving a subsidy to American air lines in order that they may compete with foreign monopolies which we ourselves are subsidizing.

I now yield to the Senator from Minnesota.

Mr. THYE. What prompts my question is the Senator's statement that socialistic trends slow up production in the European countries. If the socialistic trends do slow up production, how do we find endangerment in their competition?

Mr. KEM. It comes to this, that we are trying to bail the British out, and we have a direct stake in the recovery of Great Britain. As their industries are now being conducted, they cannot produce a sufficient quantity of goods, at prices which the people of other countries are willing to pay, to enable them to get out of the dog house.

I am glad the Senator, coming from a wheat-producing State, mentioned this subject, because, in my judgment, the wheat producers of Minnesota have a direct interest in the recent barter agreement negotiated by the British Socialist Government and Russia in regard to wheat. I think that if the Senator does not feel so now, he will feel so before that agreement is carried out.

Mr. THYE. I fully concur in the Senator's statement relative to the wheat question, although Minnesota is not the large wheat-producing State that some of our sister States are. But I go back to the other question. The purpose of the entire European recovery program was to give encouragement to business people, and to aid the men and women of the foreign countries to rebuild their countries. It is a proved fact that ECA has done much toward the rebirth of sound government, and in giving encouragement to the people of the western European countries to reestablish themselves in business, and to reestablish their governments. I think the Senator will agree with me that all reports we have gotten are to the effect that the European recovery program has gone further and accomplished more than we had

dared hoped for when we voted the appropriations and authorized the ECA a year ago. So I think what we have done in the past is all to our credit.

The question as to the future is primarily this: In the event it is possible for us to rebuild those countries, and reestablish normal businesses and the normal functions of government, that is what we should do. I remember that the United States, in its early history, was criticized by some foreigners for our type of government and the philosophy we were injecting into our Bill of Rights and our Constitution. Yet, in our type of government, we painted a beautiful picture of man's achievement. So we should not try to project ourselves into foreign countries and say, "This is the pattern you should follow, and, if you don't follow it, we will shut off everything from the financial standpoint to which we have committed ourselves in the European recovery program."

I ask in all sincerity, Is there at the present time much in the way of imports that we can charge to the fact that the European manufacturers have invaded our own consumers' market by the splendid achievements of their planned recovery because of new machinery received from the United States under the ECA program? Personally, I do not think we have had much of such competition.

I thank the distinguished Senator from Missouri for tolerating my statement in connection with his own remarks. I merely wanted to be specifically on record as to what I saw in the ECA, and what my convictions are, and that I do not share with the junior Senator from Missouri the feeling that we have actually destroyed some of our own markets through the competition we have helped to build up on the European continent in assisting the European countries through the European recovery program.

Mr. KEM. Mr. President, I am very glad to have the interesting remarks of the Senator from Minnesota. I know the Senator does not agree with me, and I think perhaps other Senators do not agree with me, but I am reconciled by the thought that very often, in the history of our Republic, a dissenting opinion of one generation has become the prevailing opinion of the next, and it may not be very long before the utter fallacy and unsoundness of this whole conception will be apparent to the American people.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KEM. I wish to refer to just one other point, and then I shall yield to the Senator from Massachusetts.

The Senator from Minnesota referred to the recovery which has taken place in industry in Great Britain and other countries of western Europe. I agree with him that there has been a great rebirth of industry, of socialized, nationalized industry, in those countries. But he only has to read the debates in Parliament, he has only to read the statements of Sir Stafford Cripps and other leading Englishmen, to know that now the whole British economy is unsound, that the recovery they so ardently hope for, and which we hope for, is not taking place,

that their economy is rather in retrograde, that the so-called dollar shortage is becoming greater rather than less, and there is now in the minds of students of the situation little hope that the dollar shortage, so-called, will be overcome within the 4-year period of the Marshall plan. If the Senator wants authority for that statement, I will give him the senior Senator from Michigan [Mr. VANDENBERG] in the debate on the ECA authorization bill, when he very carefully hedged about any prediction that the recovery of the international balances could be accomplished in the period of the life of the law.

Mr. THYE. Mr. President—

Mr. KEM. I agreed to yield to the Senator from Massachusetts. Then I shall yield to the Senator from Minnesota.

Mr. SALTONSTALL. Is not this the nub of whether or not Senators should vote for the Senator's amendment to the ECA appropriation: If a Member of Congress voted for the original ECA plan on the basis of his belief that it would be helpful to the security of our own country, must we not now decide whether it is going to help the security of our own country to meddle, if I may use that term, in the internal business of another country, as to how they shall carry on their government and their system of life? Is not that the essence of the problem?

Mr. KEM. If the Senator will permit me to use Mr. Acheson's recent very graphic phrase, I do not believe any Senator who voted for the ECA law originally is any less free to vote for the amendment. He should not close his eyes to all the information he receives about the law during the entire period of its duration, and say, "I espoused this law once, and I am not going to permit any improvements to be made in it; I have a certain pride of authorship in it that blinds me to any mistakes which have been made in its administration."

Mr. SALTONSTALL. Mr. President, will the Senator again yield?

Mr. KEM. I yield.

Mr. SALTONSTALL. I do not think it goes to that point. It is not what the individual has done in the past. It is what he is trying to do now or in the future. He should decide what to do in the future in order to accomplish the objective of greater security to our country, and whether in the extension of the law there should be an attempt to meddle with the internal political arrangements of any other country.

Mr. KEM. I shall answer very briefly. I think our purpose under the Marshall plan is to promote the economic recovery of the countries of western Europe. We have been told by Mr. Hoffman that socialism slows down production. We know that production is the very essence of recovery. We know that in order to recover these countries have to produce enough goods, at prices at which the peoples of other countries are willing to pay. We are seeing in a very graphic way the utter failure of the socialized industries to do that very thing. So unless we want to earn the sobriquet of an "insanity fair," which has been

applied to us by a Socialist member of the House of Commons, I think we should look the facts squarely in the face, and should say we believe in the American system of free enterprise; we believe that under that system more goods are produced at a lower price, of the kind and character the people are willing to buy, than under any other system in the world, and we are not going to permit the money of American taxpayers, earned under the free-enterprise system and the system of personal initiative, to be frittered away in experiments in European socialism.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. KEM. I yield. I shall be glad to yield all afternoon.

Mr. SALTONSTALL. The Senator made the statement that a Socialist member of the House of Commons applied the sobriquet—

Mr. KEM. He referred to the American Congress as "an insanity fair."

Mr. SALTONSTALL. "Insanity fair." I resent a British Socialist telling me that I am a Member of an "insanity fair," or whatever he may have called Congress.

Mr. KEM. I resent it thoroughly, and I hope the Senator's resentment will be carried into action, and that when the roll is called on the amendment he will exhibit his resentment in no uncertain terms.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. THYE. Does the Senator think the British people generally share the feeling expressed by that British public official?

Mr. KEM. I have quoted from numerous letters I have received from British people in which they use very much the same words. I do not know whether the Senator was in the Chamber when I read from one letter in which the writer referred to us as "a bunch of saps." Mr. Crossman is a leading British journalist, and he expressed the feeling in a much more literary form. But I take it the meaning is the same in both cases.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. KEM. I yield.

Mr. THYE. There are often persons in the United States who refer to us, Members of Congress, in what might be considered to be opprobrious terms, who use peculiar expressions respecting us, but they do not speak the general opinion of all the citizens of the Nation. For that reason I asked the Senator the question whether he thought the people of Great Britain generally shared the feelings and sentiments expressed by the British public official to whom he referred?

Mr. KEM. I do not suppose we will know with any degree of definiteness the opinion of the British people until the next general election. I would say that we have excellent evidence that the British people not only do not esteem what we are doing, but that they regard it as being essentially unsound.

We have the words of Mr. Winston Churchill, who, I am glad to say, I regard as the greatest Englishman of our time, and perhaps one of the great Englishmen of all times. We have the words of a Socialist member of Parliament, a distinguished English journalist. We have the letters from which I have quoted from numerous of the common people of Britain, the ordinary run of the British people. Very often it takes a long time to down economic fallacies. They exist and become very prevalent. We have seen the witchcraft delusion in England and in Massachusetts and in other parts of New England. We have seen the tulip craze. We have seen the Florida land boom. We have seen the stock-market craze of the twenties. But sooner or later the rank and file of the people return to sound economic principles and remember that 2 and 2 make 4, always have, and always will.

Mr. THYE. Mr. President, will the Senator again yield?

Mr. KEM. I am glad to yield to the Senator from Minnesota.

Mr. THYE. I merely wanted to be on record as sharing the same feeling and thought the Senator from Missouri has just expressed concerning the great man Winston Churchill.

The reason I raised the question as to whether the Senator thought that many of the people of Great Britain shared the same feelings expressed by the public official the Senator quoted, is that I have always entertained the view that the people of Great Britain generally somewhat shared the same feelings Winston Churchill expresses concerning the American people, or the citizens of the United States. I am confident that that is true.

The British people are now laboring under great difficulties in refinancing themselves and obtaining the currency necessary to do business. Their inability to do business with the United States at times is possibly one of the reasons why they have found it necessary to enter into arrangements with other countries, as, for example, to enter into a treaty with Argentina to purchase some beef from the Argentine. The reason Britain entered into that arrangement was because of her deficiency in dollars, and her inability, therefore, to buy from us. She has nothing to send us in exchange for what she might want to purchase from us, that is, nothing we are willing to accept in exchange.

Not so long ago I inserted in the CONGRESSIONAL RECORD an editorial, and in connection with it I criticized Great Britain for having been ungrateful, for having shown ungratefulness by going to the Argentine and contracting for the purchase of beef from that country, and likewise contracting with Russia for some of the cereal foods which she could obtain from Russia. I felt that England had definitely shown an ungratefulness and lack of consideration for the United States in its efforts to help in the rebirth of Great Britain. I recognize, however, that Great Britain did not have and does not now have the currency or the dollars really to make purchases of beef and of

cereal crops which we have had to offer her, particularly cereal crops, because we are long both in wheat and corn, whereas in beef we were short a year ago and still are somewhat short.

I thank the junior Senator from Missouri for allowing me to share with him the expression of admiration for Winston Churchill, for whom I have always had great respect, not only for what he did for Great Britain, but by reason of what he did for all the Allies who were associated with us, in giving them the courage and the strength of mind and the will to go forward as we all went forward in the trying war years. No one but Winston Churchill could have inspired the British people to carry through under the devastation and the ruinous effects of German bombing on England's countryside as well as to her great cities during the war years.

Mr. KEM. The senior Senator from Minnesota seems to share my respect for the character of Winston Churchill, but he does not share my respect for the opinions of Winston Churchill. I have just quoted the words of Mr. Churchill. This is Mr. Churchill's language:

We have this extraordinary spectacle of a British Socialist Government living on capitalist America while at the same time they denounce the American system. Does anybody in his senses suppose that could go on indefinitely?

I ask the Senator from Minnesota, Does anyone in his senses suppose that that can go on indefinitely?

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator can yield only for a question. The Chair feels that in deference to other Senators the rule should be enforced.

Mr. KEM. I should like to answer the question.

The PRESIDING OFFICER. Does the Senator from Missouri wish to ask the Senator from Minnesota a question?

Mr. KEM. No. I wish to answer the question of the Senator from Minnesota.

Mr. THYE. I thought I was asking a question. That is the reason why I asked if the Senator would yield at that point.

Mr. KEM. I yield for a question.

Mr. THYE. The particular quotation which was read by the junior Senator from Missouri led me to ask the question whether he thought the people of Great Britain shared the feeling expressed by the public official to whom he referred in his statement. That was the reason I asked the question. I feel that the British people do not share in the thought that they should criticize us for assisting Great Britain in its efforts toward recovery. I believe that the general public of Great Britain are highly grateful to us for what we have done in assisting the British in their day of trial.

Mr. KEM. Let me say in reply to the Senator from Minnesota that I believe that before long the British people will probably turn again to the leadership of Winston Churchill, which they found so sound and so able in time of national emergency. I believe that Mr. Churchill's views today are undoubtedly shared by the majority of the thinking people of

Great Britain. Sooner or later, if they are not shared by the majority of the people, they will be shared by the majority of all the people.

I wish to complete the quotation from Mr. Churchill, for whom the Senator from Minnesota has expressed such respect, Mr. Churchill said:

And what would happen to the British Socialist Government if the American subsidy did not arrive punctually?

We have Mr. Churchill's word for it that—

The Socialist Government and Socialist policy are living on the United States from month to month and from hand to mouth.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WHERRY. The point has been raised that the amendment which the distinguished Senator offers imposes a condition upon the people of Great Britain which invades their sovereignty. Does the Senator know whether or not we give full ambassadorial recognition to Spain?

Mr. KEM. I understand that we do not; and the reason assigned for it is that we do not like their government.

Mr. WHERRY. What is the difference between imposing conditions upon the Spanish Government for recognition and imposing the conditions set forth in the distinguished Senator's amendment relative to the aid to be given to Great Britain? What is the difference in principle, if any?

Mr. KEM. If there is any, it has not been developed in the discussion of this amendment in the press or otherwise, so far as I know.

I believe that the question can be brought much closer to home. When the OEEC met in Paris at the very inception of the Marshall plan, the OEEC excluded Spain, and the reason assigned was that we did not like their government. Spain has remained excluded to this time.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. WHERRY. When the distinguished Secretary of State was before the Appropriations Committee that very question was propounded to him. While I cannot quote his answer verbatim, he stated very forcefully that there were certain conditions which the Government of Spain would have to meet relative to civil rights before Spain would be granted full ambassadorial recognition. If that be true, I ask the distinguished Senator from Missouri, by the same token, why the Congress of the United States cannot write into this particular ECA appropriation bill similar conditions to apply to Great Britain or any other country which is the recipient of ECA benefits. I do not see a bit of difference in principle so far as recognition is concerned.

Mr. KEM. I agree with the Senator from Nebraska. I recall to his mind that when Mr. Hoffman was before the committee, and when inquiry was made of him regarding the barter agreement

between Great Britain and Argentina with reference to beef, Mr. Hoffman said—perhaps not boastfully—"I may have to crack down on Great Britain." Have we delegated to Mr. Hoffman the power, authority, and prerogative of "cracking down" when we cannot exercise it ourselves with reference to our own money?

The Senator from Nebraska answers to the people of his State. I answer to the people of my State. Mr. Hoffman has no occasion to answer to the people of any State. He can go around talking about cracking down; but the time will come when every Senator will be called upon to explain why he permitted the money of American taxpayers to be frittered away in experiments in European socialism.

Mr. EASTLAND. Mr. President, I desire to speak briefly on the amendment which authorizes the ECA Administrator to loan \$50,000,000 to Spain. The amendment is not pending at this time. I desire to place my views in the RECORD for the reason that when the amendment is the pending question I do not expect to be in the city.

Mr. President, I favor the amendment for the reason that it is an entering wedge to reestablish full economic relations with the Spanish Government, for the benefit both of the people of Spain and the people of the United States. In my judgment our policies toward Spain are wrong. They are senseless. I think this is an entering wedge which would finally admit Spain into the Marshall plan, and would ultimately extend the credits which are needed if the Spanish economy is to be placed upon a firm basis.

Mr. President, the European recovery program when first enunciated by Secretary of State Marshall in his speech at Harvard University was announced as an economic program of a nonpolitical nature for the purpose of healing the wounds of war and putting the entire Continent once more on its feet. The original intention was that no European nation should be excluded from this program; and the fact that Russia is today excluded arises solely from the fact that she has chosen to exclude herself.

In view of the announced purpose of the European recovery program and of the fact that our State Department has more than once indicated that the latch-string was still out, even to Russia, whenever she might be willing to cooperate, why should we exclude Spain from the European recovery program? Spain, if included, could do much to make the plan a success. A year and a half ago the House of Representatives voted 188 to 104 to include Spain in the European recovery program, a vote which undoubtedly represented a spontaneous expression of American sentiment. Caught unawares by the unexpected vote in favor of including Spain, certain groups, largely left wing in sentiment, went into high gear immediately and put great pressure on our Government, with the result that Spain was eliminated from the program as it was passed at that time.

The principal argument used by these left-wing groups to bring about the elimination of Spain was the charge that the

inclusion of the Franco regime in the ECA would be grist for the Communist propaganda mills in Europe. That argument is completely fallacious. Nothing can contribute more to checkmating communism than a strong Spain and a strong Europe. Because of the minerals and other commodities produced in Spain and because of her geographic location, it is impossible to have a strong Europe without a strong Spain. Instead of creating confusion in the minds of the European people, such action on our part would have cleared the air in Europe and would have signalized the end of American appeasement of Soviet Russia.

Mr. President, I hope the signing and ratification of the Atlantic Security Pact marks the end of equivocation in United States foreign policy. Having signed and ratified the Atlantic Security Pact, the next logical step would seem to me to be to include Spain in the European recovery program at this time.

The Atlantic security pact came into existence solely because of the refusal of Russia to cooperate with the Western World. In view of that noncooperative attitude on the part of Russia, let us be consistent and realistic and follow up the Atlantic security pact by a policy of economic cooperation in strengthening the strongly anti-Communist and strategically situated nation of Spain. If Russia insists on the cold war, let us cease selecting our weapons to be used in the cold war in a manner to please our adversaries. Where would we get on a battlefield if we used no weapons except those which had won the approval of our enemies? I say here that today our State Department is upholding the foreign policy of Soviet Russia, because we are upholding her policy to destroy capitalism in Spain. That is the issue there; that is one of the No. 1 policies of the Soviet Union, namely, to destroy capitalism in Spain, to take over that country because of her strategic location. In this instance we find the State Department of the United States Government upholding that Communist foreign policy.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. CHAVEZ. As I understand the attitude of the State Department, it is not so much that the State Department itself is opposed to our having with Spain the contacts we should have, but the State Department is afraid to make any particular statement because it might hurt some of the other governments in Europe who are allied with Russia at the present time or who might have communistic feelings. In other words, it is not the State Department as such or the United States as such that objects to having with Spain the contacts which ordinary, decent countries should have; but they are afraid of hurting the sensibilities of the communistically inclined peoples of France, England, Russia, and Italy.

Mr. EASTLAND. Mr. President, I know that statement is made by officials of the United States Government, but I deny that that is their real answer. I

deny that for the reason that we refuse to extend credits to that country, although we know the credits will be repaid. We refuse to cooperate economically with Spain, although we know she is a good credit risk. Yet, at the same time we see Britain and France, who tell us to stay out of Spain, negotiating trade agreements with Spain. In the case of Britain, that agreement will amount to half a billion dollars a year. In the case of France, it will amount to hundreds of millions of dollars a year.

So I say that it is utterly senseless to argue that England and France will not like it if we extend credits to Spain, and attempt to bolster the Spanish economy, inasmuch as the very people who tell us not to do that are themselves doing it and are taking some of the best customers away from the manufacturing industries of the United States.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. WHERRY. Really, what is the difference? As I understand, the State Department officials say, "Let Spain get a loan from the Export-Import Bank." That is the answer they gave me. But we are subscribing most of the capital of the Export-Import Bank. When it comes to imposing conditions, I ask the Senator the same question I asked the Senator from Missouri, namely, what is the difference between imposing upon Spain conditions relative to certain aspects of her government and refusing to accord her full ambassadorial recognition, and imposing certain conditions upon the British people and saying they must do thus and so, if they are to receive the aid? I ask the Senator, is there any difference between the two?

Mr. EASTLAND. No; there is no difference.

Mr. CHAVEZ. Does not the Senator feel that in the interest of the relations of the nations in the North Atlantic Pact with the other nations of Europe and all the nations that are entitled to aid, Spain should have its place among the nations which today are receiving aid from the United States of America?

Mr. EASTLAND. I certainly do, but of course that is not the issue here. The issue here is whether the ECA administrator is to be authorized.

Mr. WHERRY. Does the Senator mean the question is whether he is to be authorized under the amendment?

Mr. EASTLAND. Yes, under the McCarran amendment.

Mr. WHERRY. I understand.

Mr. EASTLAND. I referred to the amendment relating to the making of a loan of \$50,000,000 to Spain. Mr. President, England says, "You should not do that; we have some Socialists and Communists in this country, and it would displease them." France says, "We have some Communists now, and it will displease them if you do it. So do not do it." Yet Britain says to Spain, "We will extend you credits of \$500,000,000 a year if you will sign this contract with us and take business away from American manufacturers."

I say that is simply a racket, Mr. President.

Mr. WHERRY. That is exactly the point I raised a moment ago. It is the issue here. We are letting those within the British Government tell us whom we should recognize because of certain rights they assert, but at the same time we are refusing to extend aid to Spain because of certain conditions and civil rights matters which our State Department says must be cleared up. Yet I say the principle is the same. If we can do one, we certainly should be able to do the other.

Mr. EASTLAND. I should like to state, Mr. President, that a delegation of trade unionists came from France and England to the United States in the spring. I actually saw a statement they released and our State Department released. Those men said they would not accept Marshall plan aid if we extended aid to Spain. Now we are going right along and are taking orders from the Red elements in those countries, who are upholding the Communist policy of attempting to destroy capitalism therein.

I say our State Department is a party to it and is promoting that policy.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. CHAVEZ. The point I am trying to make, if the Senator from Mississippi will allow me to do so, is that the Senator from Mississippi has outlined what the philosophy of the Marshall plan was supposed to be, namely, through dollars contributed by the American taxpayer, to get the countries of that part of Europe into a healthy economic state. Very well. That was the idea, whether we liked Franco, whether we liked the British Government, whether we liked the French Government, or whether we liked the Russian Government. How are we to be consistent in carrying out that noble and laudable plan, if we do not like Franco's government, for instance? I may say, I wish every country had our kind of government; but that is not the question here. Merely because we do not like the kind of government there is in Spain, are we to proceed in a manner that is inconsistent with the whole policy of the Marshall plan? Are we to say "No, we will clean up the barrel, we will clean out all the rotten apples but one?" Is there to be inconsistency in carrying out the idea of the State Department that in good faith and in sincerity of purpose we should bring Europe back to an economically healthy state?

Mr. EASTLAND. The distinguished Senator from New Mexico is entirely correct. There certainly cannot be any consistency in maintaining relations with the Communist dictatorships while refusing to deal with a capitalistic Christian nation which desires to be friendly with us.

Mr. CHAVEZ. Mr. President, will the Senator yield further?

Mr. EASTLAND. I yield for a question.

Mr. CHAVEZ. I have said before, and I repeat, if I were in Spain, possibly I should not last very long. I might not like the government which exists in Spain. If we are fighting communism,

what is the difference whether we do the fighting or whether Spain does it? What country in Europe has fought communism more than Spain has? Has it been England, France, Italy? Has it been Russia? Hungary? We have an ambassador there. Has it been Czechoslovakia? Or has it been Spain?

Mr. EASTLAND. It of course has been Spain.

Mr. CHAVEZ. Let us go a little further. Is our general policy and the policy of the Marshall plan to do good to the world, to feed hungry people? Is that philosophy and that noble purpose to be set aside and the hungry children of Spain be allowed to die, merely because we do not like Mr. Franco? Is that what we have in mind? Is that the Senator's conception of the Marshall plan?

Mr. EASTLAND. Of course, it is not, Mr. President, I am in entire agreement with the views of the Senator from New Mexico. But it goes further than that. The State Department's policy toward Spain is not only injuring that country, it is injuring the economy and the producers of the United States, as I shall show in detail in a very few moments.

Instead of cringing under left-wing criticism of our foreign policy, let us recognize that a "hit dog howls" and that every time we incur the wrath of red elements at home or abroad, we have scored a genuine gain for American foreign policy. Russia has never forgiven Spain for defeating the Communists, including the important Russian reinforcements in the Spanish Civil War. If the Communists had succeeded in conquering Spain in the 1930's, the Mediterranean would long ago have become a Russian lake and all of Europe to the English Channel would be communistic today. As a result of frustrating the Kremlin objective to so significant a degree, Spain is today high on the list of nations eventually slated for destruction by Russian soldiers. If the Daily Worker and various prored groups in this country really thought American aid to Spain would play into the hands of Communist propagandists in Italy, France, and other countries, they would surely sit back and let us make such a mistake without any intervention on their part. When, in contrast, we see them actually working themselves up into a lather against such aid to Spain, we can be sure that America and not Russia would be the beneficiary of including Spain in the ECA program, or of extending a \$50,000,000 loan to Spain, as the amendment provides.

Mr. President, there are two major reasons why the inclusion of Spain in the ECA program would be beneficial to the United States. The economic reason boils down to the fact that the over-all, long-time cost of ECA will be less for the American taxpayer if Spain is included now in this program, for Spanish raw materials are an essential factor in a normally functioning European economy. Let me say at that point that the great source of the minerals of which we are short and which we must stock pile, which we must have if we are to fight a successful war, must come from that country.

If Spain can get grants and loans under the ECA of \$50,000,000 plus Export-Import Bank credits, it would enable her to import essential machinery to increase her water-power production, her mineral and factory production. It would enable her to import United States wheat, oil, tobacco, and cotton. If she can secure adequate raw materials to employ her labor force full time, she can make a substantial contribution to the recovery of the European economy.

Spain is an important exporter of iron ore, pyrites, lead, wolfram, mercury, potash, textiles, cork, wine, oranges, olives, and olive oil, and various other products to the rest of Europe. Although Spain suffered great impoverishment because of the civil war in the 1930's, she has made great progress since in reconstruction. She has rebuilt scores of churches that were destroyed by the Communists, and has achieved a most commendable economic advancement considering the difficulties under which she is functioning. How much more rapid would be her progress and the progress of all of Europe if Spain were given an opportunity to participate in the ECA program.

We have not limited our grants under ECA to nations who have suffered as a result of World War II. Sweden prospered very greatly during the war because of her neutrality; yet she has been included in the ECA, and I think we were well advised to include Sweden because of the great contribution she can make to general European recovery, by a grant to provide her with certain types of machinery and raw materials. Similarly, we have included Ireland in the ECA though Ireland was also neutral during the war, and I think we were again well advised because of the great contribution to general European recovery that Ireland can make as a result of American aid.

Portugal, also neutral in World War II, has been included in ECA allocations. A very substantial sum will go to Bizonia.

When other neutrals and even our former enemies are receiving grants under the European recovery program, why be so inconsistent as to exclude Spain simply to appease various left-wing groups here at home? It is this American policy of appeasing left-wing elements, including Socialists, which induced various European governments to turn thumbs down on the inclusion of Spain in the original Marshall plan, with the exception of Portugal and Ireland who voted for her inclusion. Yet it is interesting to note that the very nations who voted against including Spain in the Marshall plan have been willing, individually, to have commercial relations with Spain. France, for instance, after a 2-year boycott, opened her frontier to Spain in 1947 and an extensive exchange of commodities needed by both nations has been resumed.

ECA NATIONS THEMSELVES HAVE EXTENSIVE TRADE TREATIES WITH SPAIN

Britain and Spain resumed economic relations on a large scale in 1947, and on December 15, 1948, an Anglo-Spanish economic agreement was signed in Madrid to provide for an exchange of \$400,-

000,000 worth of goods annually between Great Britain and Spain. This trade pact alloys considerable flexibility in the way of credit, inasmuch as Spain's exports to Britain include seasonal items, such as fruits and early vegetables.

Let me give the Senate the complete list of European nations which have signed commercial treaties with Spain in the last few years: Belgium, February 1946; Bizonia, November 1948; Denmark, March and November 1948; Great Britain, June and December 1948; France, May 1948; Ireland, October 1946; Italy, June 1946; Netherlands, November 1948; Portugal, agreement in 1943 revised and renewed semiannually; Sweden, May 1948; Switzerland, July 1945.

Mr. President, the United States and Russia are the only two great powers in the world which in reality do not have economic relations with Spain.

In addition to the above, commercial treaties have been signed by Spain with Norway, Turkey, and various nations of the new world, such as Mexico, Uruguay, Bolivia, Chile, Argentina, and others. Even the United States relented in its anti-Spanish policy in May 1948 to the extent of unfreezing \$59,000,000 of blocked Spanish funds here in the United States.

In view of the willingness of all these nations to resume normal commercial exchange with Spain, and in view of our own willingness to unfreeze Spanish funds, does it not seem absurd to exclude Spain from the scope of the European recovery program?

When Britain has signed a treaty for a \$400,000,000 exchange of goods annually with Spain, and every nation of western Europe has entered into a commercial agreement with Spain of commensurate scope, does it not seem absurd that any of them should object to the inclusion of Spain in the ECA? Actually, Mr. President, the nations of western Europe which have made these commercial treaties with Spain, while at the same time expressing reluctance to share ECA funds with the Franco regime, are making hay themselves economically in the Spanish market, while doing their part to exclude the United States from this important market. They desire to supplant American industry in the Spanish market. They have the cooperation of our State Department. Private British industry and private French industry develop economic ties with Spanish importers which give them the inside track compared to business firms in the United States. I am told that many ECA products shipped by this country to western Europe are re-exported to Spain, thus depriving American business of both valuable business contacts and of profits which should legitimately be ours.

As I see it, no one but the United States has any right to specify where the American taxpayer's money is going to be spent in Europe; and if the American Congress wants to give the same sort of lift to Spain as it has to the other nations of western Europe, as our own safety and self-interest require, we should proceed to do so without taking any cognizance whatever of the pressure

of left-wing political opinion, either here at home or in western Europe outside of Spain.

Let us take a look, Mr. President, at the increasing business for America that will result from increased Spanish prosperity following the inclusion of Spain in the European Recovery Program.

Spain ranks third today among the nations of Europe in potential textile production, having 1,315 textile factories with over 2,000,000 spindle capacity, capable of consuming 550,000 bales of cotton a year. Yet the employees of Spanish textile mills are able to work only one and a half days a week because of the scarcity of cotton. Spain is a traditionally large importer of American raw cotton, yet she especially needs this product to mix with long staple Egyptian and the very short Indian cotton on which her factories have been obliged to survive. Spain can use from 250,000 to 300,000 bales of American cotton a year, as she has for many years in the past.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. McKELLAR. At this point may I ask the Senator if it is not true that Spain is not asking the United States to give her money with which to buy American cotton, but she merely desires a loan of money, and that her reputation is that she always pays her debts?

Mr. EASTLAND. That is exactly correct. Cotton, however, would not be the only beneficiary. She desires from 500,000 to 1,000,000 tons of wheat, she desires 40,000 tons of lard and soybean oil. There is no doubt, as I shall show in a moment, that she can pay us back. The Chase National Bank has investigated her economy and credit standing and has said that she is a good credit risk and can repay the loan.

Here is where the policy is hurting our Government: We have price-support programs and we have several billions of dollars invested in the very farm commodities Spain needs. We are going to invest hundreds of millions of dollars this fall under the same program, because it is said that we are overproducing. I have read in the newspapers that lard has reached its 10-year low price and is a drug on the market. There is a tremendous overproduction. Yet Spain desires 40,000 tons of lard and soybean oil. If we extended her credit we would save the American taxpayer millions of dollars, because we would not have to buy these products under the price-support program.

If in the past 2 years we had extended credit to Spain with which to purchase cotton, we would not be faced with an acreage-reduction program in that commodity, and we would not have hundreds of millions of dollars tied up by the Department of Agriculture in price support in connection with that commodity, which we had to buy and take off the market. So I say that what the amendment proposes is sensible, for by our present course of action we are not only hurting Spain, but we are hurting the American producer, and are accumulating a surplus which can blow up the farm pro-

gram of the United States, dry up purchasing power, and bring on a depression in this country.

Mr. President, I forgot to mention the case of tobacco. Historically, Spain has been a large consumer of American tobacco. The Federal Government is spending millions of dollars through the Department of Agriculture to support the price of tobacco. If we had filled Spain's demands by a loan, which the bankers and businessmen say she could repay, we would not have millions of dollars invested in that commodity. But we see the farmers of Kentucky, the Carolinas, and Virginia suffering, with their products piled up, and the State Department saying, "No; no credit to Spain. We do not want to displease the Red Party in England." And England says, "Come to us and we will make it available through our possessions." And that is what is being done. I say we are being used, and our State Department is upholding the foreign policy of Communist Russia, which attempts to make conditions in Spain so hard that there will be revolution there, and communism can take over.

With an exceptionally large cotton crop in America the past year, and the prospect of an even larger one this year, is it not the height of absurdity that Spanish textile mills should be idle 80 percent of the time for lack of raw materials, and that such cotton as Spain is able to buy should come from the competitors of American producers, such as India, Egypt and Brazil?

Mr. President, while discussing the State Department, let me say that I have always thought it was the paramount duty of the American State Department to expand foreign markets for American products, to cooperate to secure markets for our products in order to help our economy. I thought that was our State Department's primary function. But I am certainly surprised—and I have had some experience with this agency—when I find that instead of attempting to expand the sale of American products and secure markets for them, it has attempted deliberately to take historic markets away from American producers and give those markets to foreign competitors which have never in history done business with the countries involved. I could name the countries, because I know the facts, and I say it is appalling that this agency of our government attempts to penalize industry in America, and American agriculture, for the benefit of foreign producers.

Fertilizer represents another commodity of which Spain is in particular need, although she is one of the largest potash producers in Europe, and could make important contributions to the fertility of European fields generally, if she could secure adequate mining machinery.

There is a world-wide shortage of potash, and because there is such a shortage there is a world-wide shortage of food. The potash deficiency is the largest contributing factor today to the food shortage in the world. It would take a credit of only a few million dollars, a small sum, to mechanize the mines of Spain, whereby she could secure within 2 years prac-

tically enough potash to end the world-wide shortage. If that were done, the food supply of Europe would increase greatly, and it would certainly lessen the amount of money which the United States would have to spend under the ECA program.

The potash mines in Spain afford an excellent illustration of how the inclusion of Spain in ECA would contribute to reconstruction in Europe without cost to American taxpayers. Many of the German potash mines are now behind the iron curtain, and Spain, with the largest potash reserves in the entire world—note that, Mr. President, the largest potash reserves in the entire world—could supply the deficiency in this production field of Europe, and other nations as well.

Incidentally, there is a potash deficiency of half a million tons a year at the present time. Spain alone could meet the entire deficiency if she could secure adequate mining machinery, and the transportation facilities needed to bring the potash from the mines, at the base of the Pyrenees, to the port of Barcelona, 100 miles away. If Spain could secure a loan under ECA of \$10,000,000 for mining machinery, she could increase her potash production from 200,000 tons a year to practically enough to wipe out the world's deficit. Such self-liquidating loans as this typify the financial soundness of including Spain in the program by extending the loan in question.

In addition to potash, Spain has important deposits of antimony, immense reserves of lead and mercury, a moderate amount of manganese, a mineral very important to America since Russia has shut our steel industry off from that source of supply. Spain has important reserves of strontium, tungsten, zinc, and fluorspar, also large reserves of graphite and pyrites. Many of these minerals and metals constitute items which the United States is now stock piling.

Mr. President, for these reasons, Spain could liquidate the proposed loan, without question. Her commodities as a whole are commodities the United States needs. We need all these minerals, which are not produced here. Spain produces cork, which is not produced here. She produces spices, which we do not produce, but which we need. If we can stimulate production in that country, they can sell us the commodities, and get the dollars with which to repay the loan. We cannot do that in the case of countries which produce commodities which are in surplus supply in this country. In such cases we cannot get the money back. But we could stimulate in Spain the production of potash, for instance, which we must have here, and other minerals, and Spain could get the dollars and repay the loans.

In the past year we were obliged to import 70 percent of our antimony, 43 percent of our lead, 75 percent of our mercury, 98 percent of our manganese, 99 percent of our strontium, 53 percent of our tungsten, 33 percent of our zinc, 24 percent of our fluorspar, 92 percent of our graphite, and 12 percent of our py-

rites. That is proof conclusive that such a loan is a bankable proposition, and that our own country would secure vast benefits from making the loan, because it would stimulate the production in Spain of commodities which we must have. Today we search the world over for supplies of manganese. Russia has shut us off. We could secure a portion of our needs of manganese from Spain if we extended her credit for mining machinery.

It is sometimes difficult to stock pile these strategic materials as rapidly as we would like. By supplying Spain with adequate mining machinery and transportation facilities we could not only add to our stock pile but would contribute to the general European industrial recovery, while simultaneously assuring self-liquidation of such loans to Spain.

Spain is the only European country which has not received a dollar from the United States since 1942. The State Department gives the excuse, Mr. President, that a loan to Spain would not be a bankable loan, and therefore the Department has advised the Export-Import Bank against extending credits. I shall address myself for a few moments to that particular point. The only reason, the only excuse given for the advice against extending credits is that such a loan would not be bankable. Spain is one of the few nations in the world which is not indebted to the United States at the present time, and which in its entire history has never cost the United States taxpayers a single copper penny through default of a loan. The Franco regime in Spain has paid off in full a \$72,000,000 indebtedness contracted in the United States by the preceding republican government of Spain. In 1942 we extended Spain a credit of \$58,000,000, and she paid every dime of that indebtedness as it came due.

As a further illustration of Spain's record in payment of debt, I cite the fact that she paid off in full her debt to Germany in 1944. She is 12 years ahead of schedule in meeting amortization payments in her debt to Italy. What other nation in the world has done so well, Mr. President? Let me repeat that Spain is 12 years ahead of schedule in meeting amortization payments in her debt to Italy. As a commercial risk Spain is in the same category as Finland.

Let me say, Mr. President, that this year the great Chase National Bank had its experts exhaustively study at first hand the economy of that country, with reference to her ability to repay a loan from the United States, and they found that Spain was a good credit risk and could repay the loan.

In the past few days several great business firms of this country have gotten together and pooled \$10,000,000 as a loan to Spain. They think that a \$10,000,000 private loan is good business, is bankable. Let me show the Senate how that is going to affect our economy. One of the concerns in the pool sells a product which is surplus in the United States and which is in surplus in Mexico. This American firm, as a result of the loan to Spain, will use the Mexican product and ship it to Spain, instead of the American product, because the firm will re-

ceive a larger commission from the Mexican producers than from those who produce the product in the United States. Thereby they will sop up \$10,000,000 in dollars that Spain must earn, and the shipment to Spain of Mexican products, rather than American products, will prevent the money for those products going to the producers in the United States. The members of this pool consider the loan to be good business for them, and Spain to be a good credit risk, and they are extending \$10,000,000 in credit to Spain. But because they can secure a larger commission by shipping certain Mexican products, these concerns are doing so, instead of shipping the products of this country.

Mr. President, if our State Department would cooperate with the producers of the United States, and save the Spanish market for producers in this country, it would strengthen our economy at this time when we are on the down grade, and when every effort must be made by selling our products to strengthen it, to build it up, and to put it on a firm, sound basis, instead of operating on the basis of gifts, the giving away of American goods, as we are now engaged in doing.

Spain has also been criticized, Mr. President, for allegedly helping Hitler during the war. As a matter of fact, Spain insisted on maintaining her neutrality when Hitler sought Spanish assistance in the war. I think there can be no doubt that is what happened, especially in view of the statements Mr. Churchill has made.

Our State Department has opposed the extension of credits to Spain by the Export-Import Bank until the present Spanish regime is liberalized, as it says. First the Department says it desires the existing exchange rate to be allowed to sink to its natural level. Since we are not demanding this of other European countries, why should we make the demand in the case of Spain, unless it be as an excuse not to extend credits to that country, and not to encourage the development of economic relations with her.

Secondly, our State Department is demanding the elimination of economic controls in Spain. Actually Spain has the least economic control of any nation in Europe. Only the railways, the tobacco industry, and a portion of the petroleum industry are nationalized. Scarce commodities are allocated in Spain, just as they have been allocated in the United States by the Department of Commerce. It may be assumed that Spain will drop such economic controls as she finds to be unnecessary as soon as scarcities are eliminated, just as the United States Department of Commerce is due to drop all controls in this country on September 30 of this year.

The insincerity of criticism of Spain on the score of too many economic controls is shown by the frequent clamor for such economic controls in the United States by the very same elements that are decrying controls in Spain. The impoverishment of Spain and the delay of European recovery is thus shown to be the true objective of the American left wingers who seem to work in conjunction with

our State Department. It is true that Spain does not have the same type of elections as we have in the United States. It must be remembered, however, that at the time of the Spanish civil war all the political parties supported General Franco in order to save their country from communism. Those parties still function and lend their support in varying degrees to Franco, but do not run separate slates of candidates in elections. The reason why left-wing opposition parties are not permitted to function at this time is the fear of the Spaniard that once the Russian camel were allowed to put its head inside the tent, the same thing would happen there as has happened in a dozen countries in eastern Europe, more recently in Czechoslovakia, and as was threatened not long ago in France and Italy. I say that in suppressing those elements and not letting communism get a foothold there, the Franco regime has shown far better judgment than have some of the other countries of Europe.

Early in 1947 Spain conducted a plebiscite on the law of the Spanish succession. Communists broadcasting from France instructed their followers and sympathizers to abstain from voting, so all abstentions were presumably equivalent to negative votes. Abstentions plus actual negative votes comprised only 18 percent of the total. Thus 82 percent of the electorate registered approval of the Franco regime.

The truth is that all the parties of Spain except the Communists and the left-wing Socialists are supporting the Franco regime in the present crisis. Only parties desiring to overthrow this Spanish Government by force are anti-Franco, although when conditions return to normal the response of the electorate may be different. No political cooperation with Reds is possible. Give them an inch and they will take a mile. We have learned that the world over. Spain is simply being realistic in the face of current Red aggression.

Mr. President, we now come to one of the principal reasons why Spain should be included and why this loan should be made, namely, the military reason. In case the cold war changes overnight into a hot war, Spain can put 2,000,000 trained soldiers in the field. They are soldiers free from communistic taint or communistic infiltration. In all too many cases the strength of other western European nations has been sapped by Communist propaganda. But there is no question about the Spanish Army's morale and fighting ability.

It has been said that some of our allies plan to retreat in case of war with Russia. This is not true of Spain. The Spaniards plan to fight. I submit that we must build from a military standpoint on a people in Europe who will defend themselves from aggression and who will stand with us in defending western civilization and our way of life, and who do not plan a hasty retreat across the Iberian Peninsula to North Africa in case of war.

Spain also occupies a strategic position in the Mediterranean, of which Russia is now struggling to secure control. It has been said that Russia could

take all of Europe as far as the Pyrenees in 3 weeks' time, but we hope she would be stopped there. In case of actual hostilities with Russia Spain is therefore essential to the United States as a bridgehead in Europe. Because of its mountainous terrain and its high plateaus and hidden valleys, Spain affords ideal topography for air bases.

We know that as the result of an agreement between the United States Government and the Spanish Government in 1945 we constructed in Spain air bases which have been maintained there, and which would be absolutely essential in case the cold war should turn into a hot war. I submit that by this loan we could shore up the economy of that country. The loan can be repaid. We can strengthen the economy of Spain and thus strengthen her military power to resist invasion.

Mr. President, because Spain is a good credit risk, because she has fought the good fight against communistic aggression, because she is an important economic factor in European recovery, because our own trade with Spain should be restored to normal to reduce our crop surpluses and prevent a depression at home, and because Spain is a valuable ally in the cold war and will be an indispensable one should the war become hot, I believe that Spain should be included in the ECA program. This loan would be an opening wedge. I submit that the amendment should be adopted.

Mr. WHERRY. Mr. President, I should like to inquire of the present occupant of the chair whether the pending question is on agreeing to the first committee amendment?

The PRESIDING OFFICER (Mr. HILL in the chair). The pending question is on agreeing to the first committee amendment, which will be stated.

The LEGISLATIVE CLERK. On page 1, beginning in line 7, it is proposed to insert:

LEGISLATIVE BRANCH

SENATE

Contingent expenses of the Senate

Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, \$344,000: *Provided*, That this appropriation shall be available from and including July 1, 1949, for the purpose provided herein. All obligations incurred during the period between July 1, 1949, and the date of the enactment of this Act in anticipation of such appropriation are hereby ratified and confirmed if in accordance with the terms hereof.

Mr. WHERRY. Mr. President, if agreeable to the majority leader, I would suggest the absence of a quorum.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Chavez
Anderson	Byrd	Connally
Brewster	Cain	Cordon
Bricker	Capehart	Donnell
Bridges	Chapman	Douglas

Downey	Kem	Myers
Dulles	Kerr	Neely
Eastland	Kilgore	O'Connor
Ecton	Knowland	O'Mahoney
Ellender	Langer	Pepper
Ferguson	Lodge	Robertson
Flanders	Long	Russell
Frear	Lucas	Saltonstall
Fulbright	McCarran	Schoeppel
George	McCarthy	Smith, Maine
Gillette	McClellan	Sparkman
Graham	McFarland	Stennis
Green	McGrath	Taft
Gurney	McKellar	Taylor
Hayden	McMahon	Thomas, Okla.
Hickenlooper	Magnuson	Thomas, Utah
Hill	Malone	Thye
Hoey	Martin	Vandenberg
Holland	Maybank	Watkins
Hunt	Miller	Wherry
Ives	Millikin	Wiley
Johnson, Colo.	Morse	Williams
Johnson, Tex.	Mundt	Withers
Johnston, S. C.	Murray	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the first committee amendment.

Mr. LUCAS. Mr. President, the first committee amendment, as I understand, begins on page 1 and extends over on page 2.

Mr. McKELLAR. It is known as the watchdog amendment.

Mr. LUCAS. Mr. President, I should like to raise a parliamentary inquiry, if I may.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. In title I we find "Contingent Expenses of the Senate," as the caption of the title. I should like to ask whether this money is to be paid out of the contingent expenses, or the fund known as the contingent expense fund of the United States Senate, or, if not, what is the reason for the caption.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Tennessee for an answer to my question.

Mr. McKELLAR. A similar provision was adopted last year, and the money was paid from the contingent fund of the Senate. It was the opinion of the committee that it should be paid from the contingent fund of the Senate this year, and that is why it was put in in this way.

Mr. LUCAS. Do I correctly understand from the Senator from Tennessee that the fund which has been appropriated for the contingent expenses of the Senate is the fund upon which the committee known as the "watch dog committee" will draw?

Mr. McKELLAR. That is correct. The amount is stated as \$344,000.

Mr. LUCAS. Mr. President, I have another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. When money is appropriated for the contingent expenses of the Senate, is it not necessary for a resolution to be properly presented and referred to the Committee on Rules and Administration, rather than to use this method and bypass that committee?

The VICE PRESIDENT. The Chair thinks that what the Senator is suggesting has reference to a case in which money is appropriated out of the contingent fund, but it seems to the Chair that this appropriation is for the contingent fund and not out of it.

Mr. WHERRY. Mr. President, a parliamentary inquiry. Will the Senator yield?

Mr. LUCAS. In a moment.

I appreciate the fact stated by the Vice President. In other words, under the first paragraph of the bill, reference is made to the "following sums appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1950."

I understand that that money appropriated by the amendment will go into the contingent fund; but the point I am making, Mr. President, is this: Has the Appropriations Committee the power to take money from that fund without first going to the Committee on Rules and Administration? That is what is proposed to be done in this case.

The VICE PRESIDENT. The Chair thinks—and the Chair is not passing upon any other language in the amendment—if the Senate authorizes the expenditure of an amount, under the rules and regulations pertaining to the expenditure of money out of the contingent fund, on vouchers signed by the chairman of the joint committee or the chairman of the Senate committee, the money would be appropriated.

Mr. LUCAS. I shall not argue the point any longer; but it seems to me that we are bypassing the Committee on Rules and Administration when we appropriate \$344,000 out of the contingent fund of the Senate for the purpose of paying salaries, expenses, and so forth.

The VICE PRESIDENT. When a resolution is offered on its own merits providing for an appropriation out of the contingent fund, that resolution would have to go to the Committee on Rules and Administration. But this is an appropriation bill which the Chair does not feel would necessarily go to the Committee on Rules and Administration, provided the language itself is within the law. The Chair does not pass on that question.

Mr. LUCAS. Mr. President, I will not press that point of order, but I most respectfully call the Vice President's attention to line 4 on page 2 of the amendment, which says:

Without regard to the Travel Expense Act of 1949, approved June 9, 1949.

I submit that this is a change in existing law, and a point of order should be sustained to that particular phase of the amendment.

The VICE PRESIDENT. Does the Senator make that point of order?

Mr. LUCAS. I make a point of order against that language in this bill.

The VICE PRESIDENT. Does the Senator wish to be heard?

Mr. LUCAS. I do not care to be heard at any length. All I want to say is that the language, in my opinion, is plainly a change in existing law, because whenever we expressly state that we are going to do certain things without regard to another law, we are repealing another law. Consequently, I raise a point of order against it.

Mr. McCARRAN rose.

The VICE PRESIDENT. Does the Senator from Nevada wish to be heard on the point of order?

Mr. McCARRAN. Is the point of order debatable?

The VICE PRESIDENT. It is. It is within the discretion of the Chair as to how long it will be debatable. It is only debatable for the guidance and information of the Chair.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. LUCAS. I yield.

Mr. McKELLAR. I have the appropriation bill of last year, and this language is in the exact wording of that bill.

Mr. LUCAS. That may be true, but possibly no point of order was raised against it last year.

I still make the point of order.

Mr. McCARRAN. Mr. President, in addition to what the Senator from Tennessee has said about this language being in the bill last year, the joint committee has been working under this language. While it may be true that it is a modification, to some extent, of the existing law, it is a modification under which the joint committee has carried on, and it seems to me it is one which could well be maintained in this bill and should be maintained in it, if the joint committee itself is to be continued by an appropriation. If it is the assumption of the Chair, however, that the point of order is well taken, I shall offer an amendment to strike the language and the following language so that the amendment may be relieved of the objection.

Mr. McKELLAR. Mr. President, I have before me the record of what has been done before this year. A bill making appropriation for the salaries and expenses of the Joint Committee on the Economic Report, \$72,600, and two other bills of like kind, have already been passed this year, and no point of order seems to have been made, or, if one was made, it was overruled. I call the attention of the Chair to the fact that the provision is exactly in line with bills passed by the Senate regarding the contingent fund of the Senate.

Mr. RUSSELL. Mr. President, I do not think it is important whether or not this language remains in the bill, and I should be happy to see the distinguished Senator from Nevada offer an amendment to strike it out, but precedents which might be set are important.

I submit to the Chair that there is legislation all through the pending bill, and when it comes to us from the House with a great deal of legislation in it, the Senate committee then has the right, under the rules, to offer legislative matters by way of amendment, because legislation has come to us from the House. There is a provision at the top of page 3 which came to us in the House language which is very clearly legislation. It is language providing for "exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange." That evades the statute, exactly as does the language now under discussion. The same kind of provision appears at the top of page 4, a provision for "exchange funds without regard to section 3651 of the Revised Statutes; and loss by exchange."

I have not examined the bill carefully, but I see legislative provisions through-

out that are not included in the original authorization. I submit that the precedents of the Senate are very clear to the effect that when legislation comes to us from the House in an appropriation bill, then the Senate has the right to append legislative matters thereto.

As to whether or not this language stays in the bill I do not care, and I hope the Senator from Nevada will offer an amendment to strike it out; but I do insist on the right of the Senate to offer legislative matters to measures which come to us from the House under the guise of appropriation bills, which likewise contain legislative provisions.

The VICE PRESIDENT. The Chair is ready to rule. It is true that appropriation bills come to the Senate from the House containing legislative provisions, and that is characteristic of the pending bill in several particulars. But any legislative matter offered on the floor of the Senate must be germane to the legislative matters contained in the bill as it comes from the House. If the House violates the rules and no one makes a point of order against it, and appropriation bills come to the Senate including legislative matters, it does not give the Senate carte blanche to include wholly irrelevant legislative matters in the bill. They must be germane to the legislative provisions of the bill which came from the House.

The language under discussion is plainly a violation of the rule. Under the Legislative Travel Expenses Act of 1949, and other previous expense acts, there is a limitation imposed upon those who travel at Government expense, by reason of a per diem allowance for travel. The provision the Senate is discussing seeks to waive that and allow the employees of the Joint Committee on Foreign Economic Cooperation to travel at Government expense without limitation, except that the vouchers shall be signed by the chairman of the committee. Plainly that is legislation on an appropriation bill, not approved by the rules.

The fact that such occurrences have happened heretofore and no one made a point of order against them is not valid as an argument against the point of order at this time, or at some future time when the same question might arise, because the mere failure to make a point of order to a provision which would be subject to a point of order does not and cannot change the rules of the Senate, and cannot be used as a precedent by which the Chair would be governed.

For the reasons stated, the point of order is sustained.

Mr. McCARRAN. Mr. President, I move to strike out the language as follows—

The VICE PRESIDENT. Let the Chair suggest to the Senator that the whole amendment has gone out on a point of order. Instead of trying to strike out language from the amendment that has gone out, a better procedure would be to offer an amendment without the language in it.

Mr. McCARRAN. Then I offer an amendment at this time.

Mr. RUSSELL. Mr. President, while I do not regard the matter as of sufficient

importance to justify my appealing from the decision of the Chair, I think the Chair's ruling is most unfair to the Senate as a coequal branch of the legislative body. To hold that the House can write legislation into this bill without let or hindrance, and that the Senate can amend it only in matters which are germane to direct language written in the bill, seems to me to be most unfair to the Senate. I shall not appeal, but I should respectfully like to submit for the record the fact that I think the Chair's ruling is in error, and that it circumscribes the right of the Senate, as a coequal legislative branch. The House has clearly legislated throughout the bill, and to hold that the Senate cannot offer any limitation that is legislative in character unless it is germane to a provision of the House bill seems to me to be unfair.

The VICE PRESIDENT. The Chair has great respect for the parliamentary ability of the Senator from Georgia, and the Chair would like to say that if the House, by putting one or two legislative provisions in an appropriation bill, could open up the way in the Senate for all sorts of legislative propositions, the House could make it possible to change the rules of the Senate without the Senate's consent. There is nothing in the bill as it came from the House involving this amendment. Surely the contention cannot be made that in the absence of any legislative provision in regard to this subject, because there are other legislative provisions in the House bill, therefore this amendment is in order.

Mr. RUSSELL. Mr. President, I desire to make a further point of order, if the Chair will hear me.

The VICE PRESIDENT. The Chair will hear the Senator.

Mr. RUSSELL. If the Chair is right in his ruling, under the provisions of rule XVI it is the duty of the Chair to recommit the bill to the Committee on Appropriations.

Mr. LUCAS. Mr. President, this is a new provision which has been placed in the bill by the Senate Committee on Appropriations itself. The House of Representatives gave the committee nothing on which to base it. When the determination was made in the House, the Committee on Appropriations decided that the Joint Committee on Foreign Economic Cooperation should not have any money whatsoever. The provisions to which the Senator from Georgia referred appearing on pages 3 and 4, and perhaps other pages of the bill, might have something to do with the point he is making. But I submit that there is nothing the House of Representatives has done in the way of writing in legislation in this instance which could preclude a point of order, because this is new matter which has been inserted in the bill by the Committee on Appropriations itself.

Mr. RUSSELL. Mr. President, I do not care to add to my other observations. Of course, the views of the Senator from Illinois would likewise raise a direct restriction upon the power of the Senate as a coequal body, and I am not debating it further, but I call to the

attention of the Chair the fact that under the second paragraph of rule XVI, if this matter is legislation and is subject to a point of order, and the point is sustained, it is provided that the bill shall be recommitted to the Committee on Appropriations.

Mr. LUCAS. Mr. President, I am not talking about the question of germaneness. I made the point of order on an entirely different basis.

Mr. RUSSELL. The Senator from Illinois cannot change the rules to suit himself.

Mr. LUCAS. I am not attempting to change the rules. The Chair sustained the point of order on the theory that the provision changed existing law.

Mr. RUSSELL. That is correct, and under rule XVI the bill has to be recommitted.

The VICE PRESIDENT. Let the Chair pass on the new point of order. The rule provides that if a point of order is made against a bill and is sustained, the bill shall be recommitted to the committee.

While Senator Pittman was President pro tempore of the Senate a point of order was made against a committee amendment to an appropriation bill. He held that the making of a point of order against a committee amendment did not require the recommitment of the bill, but that recommitment was required only in case the point of order was made against the bill itself.

Mr. RUSSELL. Merely for the Record, Mr. President, I should like to read the provision of rule XVI:

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law—

And that is the point made by the Senator from Illinois—

if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation—

And the Chair has ruled that this is legislation, because it repeals another statute—

or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

The VICE PRESIDENT. The Chair refers to a previous decision of a former President pro tempore on that subject, and observes that if every time the committee reported an appropriation bill with an amendment to which a point of order would be sustained, there would be no object in filing a notice in advance that a motion would be made to suspend the rule, which requires a two-thirds vote. The two are inconsistent.

Mr. RUSSELL. The purpose of that rule is to avoid having a bill recommitted to the Committee on Appropriations. That is the very purpose of the rule.

The VICE PRESIDENT. The Chair understands the automatic recommitment of the bill, because the Chair sustains a point of order against a committee amendment would be entirely inconsis-

ent with the provision. When an amendment is declared out of order because it contains legislation, or for any other reason, the motion is frequently made, and the Chair understands that similar motions are in preparation and have been filed in connection with this bill already, to suspend the rule; that is, in the event the Chair declares certain amendments are out of order.

The Chair appreciates the observation of the Senator from Georgia but feels that his ruling is correct.

Mr. RUSSELL. I merely wish to observe, Mr. President, that I find nothing whatever in rule XVI dealing with this matter that sustains the position that a point of order can be made against an amendment as such without it lying against the whole bill.

Mr. LUCAS. Mr. President, I wish to make one more observation respecting the bill. If the position of the able Senator from Georgia is correct, it simply means that a majority of the Appropriations Committee who are against a certain bill can report it with two or three legislative amendments. A Senator can then raise the point of order under rule XVI, and, if the position of the Senator from Georgia is correct, the Chair would be compelled to refer that bill immediately back to the Appropriations Committee. We would never get an appropriation bill through the Senate if that were the practice. If the majority of the committee were against a certain measure, all they would need to do would be to tie a legislative provision to it, report the bill, and, when it came up for consideration, make a point of order, and back to the committee the bill would go.

The VICE PRESIDENT. The Chair might also state that if this bill or any similar bill must be recommitted because the first committee amendment is declared out of order, if it were recommitted, and the committee brought the bill back without that amendment, but with a number of other amendments which were out of order, each time the Chair held one of them to be out of order the bill would have to go back to the committee. It would reduce itself to—

Mr. LUCAS. World without end.

The VICE PRESIDENT. To an absurdity.

Mr. WHERRY. Mr. President, let me suggest to the distinguished majority leader that in such a case the committee would not bring the bill back with new legislation in it. New legislation, in the form of an amendment, is written into the bill before us. Let us assume the bill were recommitted. The committee would know that the point of order had been made against the amendment because it contained new legislation. The committee would not again report the bill with new legislation in it.

Mr. President, I should like to see the watch-dog committee continued, and the amount contained in the amendment provided for it. There might be some objection to traveling expenses. But I certainly want to associate myself with the remarks of the Senator from Georgia, and I do so with all respect for the decision made by the Vice President, that, in view of the fact that a point of

order has been raised against an amendment to the bill, the bill, if I read the rule correctly, should be recommitted to the Appropriations Committee for reconsideration.

The VICE PRESIDENT. The Chair knows, and every Senator knows, that time out of mind in the Senate committee amendments have been declared out of order because they contained legislation, and immediately a motion has been made to suspend the rule. If that rule were enforceable all the way, the bill would have to go back to the committee regardless of what else was in the bill; and it would have to go back to the committee each time a point of order was made and sustained against an amendment.

The usual practice has been that, instead of embodying committee amendments in the appropriation bill, they are offered from the floor as committee amendments which, of course, would avoid—and it is done for the purpose of avoiding—the possibility that a point might be made which automatically would result in the bill being recommitted. That has frequently been done. That is not a matter upon which the Chair has to pass, but it has become quite a practice in the Senate.

Mr. McKELLAR. Mr. President, I am not at all interested in the wording of the amendment. The only thing in which I am interested is in getting the appropriation bills passed. I am willing to have the Senate vote on the amendment as submitted by the Senator from Nevada [Mr. McCARRAN], which he has the authority from the committee to do. I hope we can pass upon this matter immediately. I want to say, however, that I agree 100 percent with the position taken by the distinguished Senator from Georgia [Mr. RUSSELL] when he says that under the language of the rule the bill should be recommitted. It would be a formal matter. In my judgment, the rule requires it beyond the shadow of a doubt.

The VICE PRESIDENT. Of course, the Senator knows that any language in an amendment which is out of order vitiates the whole amendment. That raises the question whether the amendment, without the objectionable language, if it were offered at the moment, would become a committee amendment, so as to take priority among other committee amendments and over outside amendments. Is it the rule that where a committee amendment goes out on a point of order, and language which then corrects the deficiency is immediately offered it shall be regarded as a committee amendment, as though it had not been in the bill originally? The reason for that inquiry is that the Senator from Tennessee [Mr. McKELLAR] asked unanimous consent, and it was granted, that committee amendments be considered first. Now, is the substitute amendment here a committee amendment in that sense, or is it an amendment offered from the floor, taking its place along with others?

Mr. McKELLAR. It is a committee amendment in that sense, taking its place with the committee amendments.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. LUCAS. Mr. President, I ask that the amendment be stated.

The VICE PRESIDENT. The amendment offered by the Senator from Nevada [Mr. McCARRAN] on behalf of the committee will be stated.

The CHIEF CLERK. On page 1, line 10, it is proposed to insert the following:

Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, \$344,000: *Provided*, That this appropriation shall be available for the fiscal year 1950, for the purpose provided herein.

Mr. LUCAS obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. VANDENBERG. Is it the Senator's opinion that this appropriation is chargeable to the contingent fund of the Senate simply because of the title of this chapter?

Mr. LUCAS. I asked that question a moment ago, and it is my understanding now from the colloquy we have had, that the money is appropriated from the Treasury of the United States and goes into the contingent fund. The point I made a moment ago was that if the Senate appropriates money from the Treasury into the contingent fund of the Senate, the Committee on Rules and Administration thereby obtains jurisdiction of the fund and only upon a proper resolution from that committee, approved by the Senate, can the money be spent. If this amendment is adopted, it simply means that vouchers will be drawn upon the contingent fund, and the disbursing officer will pay the vouchers. That is the point I made, but I was overruled on that point by the distinguished Vice President.

Mr. WHERRY. I attempted to make my position clear. I am a member of the Committee on Rules and Administration. The Senator from Illinois worked for a long time on the old Committee to Audit and Control the Contingent Expenses of the Senate. When I raised the question with the committee my understanding was that this was an authorization of \$344,000. It has come before the Senate Appropriations Committee, and has now been authorized, with the understanding that the money is to be paid into the contingent fund under the regular procedure. It will then be paid out of the contingent fund on vouchers representing the amount of expense incurred. So it does not bypass the committee. If we approve this provision, it authorizes the money to be paid into the fund and out of the fund in accordance with the regular procedure.

The VICE PRESIDENT. Under the act of 1948 establishing the Economic Cooperation Administration, this committee is established, and it is provided by law that the vouchers shall be signed by the chairman and paid out by the Disbursing

Officer of the Senate from the contingent fund. There is an arrangement by which the House reimburses the Senate for its part of the expense, it being a joint committee.

Mr. LUCAS. Mr. President, I offer an amendment to the amendment, to strike out the figure "\$344,000" and insert in lieu thereof "\$100,000."

The VICE PRESIDENT. The amendment to the amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 1, line 3, of the amendment it is proposed to strike out the figures "\$344,000" and insert the figures "\$100,000."

Mr. McCARRAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois wish to be heard on this amendment?

Mr. LUCAS. The Senator from Nevada wishes to speak.

The VICE PRESIDENT. The Senator from Nevada is recognized.

Mr. McCARRAN. Mr. President, the joint congressional committee was set up by the following language in Public Law 472 of the Eightieth Congress:

JOINT CONGRESSIONAL COMMITTEE

SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of 10 members as follows:

(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this act.

In addition, and under another program, it was set out, in Public Law 793 of the Eightieth Congress:

And provided further, That the Joint Committee on Foreign Economic Cooperation es-

tablished pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948 shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for Government and Relief in Occupied Areas as it has with respect to programs under the Economic Cooperation Act of 1948.

So two widely scattered duties were imposed on this committee. Let us see what the committee does, in comparison with other like committees.

The appropriation for the past fiscal year for the Joint Committee on Foreign Economic Cooperation was \$262,000, of which approximately \$80,000 was turned back to the treasury unobligated. The first year's budget did not include funds for a study of the GARIOA program which the committee is authorized by law to undertake. The appropriation for the present year included an estimate for such additional work, which is the increase asked for over last year's appropriation. Let me say at that point that the \$344,000 item is a budgeted item. It came here by way of a budget estimate from the White House. The committee did not expend its funds for the first year, and it may not expend the entire sum for the second year, but if it is called upon to do so, the amount requested is the best estimate of what may be needed.

It must be remembered that the committee's staff must study and observe the execution and administration of our programs involving an expenditure of approximately \$6,000,000,000. The administration costs to the ECA and to the Army in spending this money are estimated at \$56,500,000.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. Is not the amount carried in the bill, \$344,000, the precise amount of the budget estimate which was sent to the Congress?

Mr. McCARRAN. The budget estimate for \$344,000 came from the White House with a letter of transmittal.

Mr. McKELLAR. That is correct.

Mr. McCARRAN. As I have stated, the administration costs to the ECA and to the Army in spending this money are estimated at \$56,500,000. Yet the committee hopes to provide reliable information as to all of these programs for six-tenths of 1 percent of what is expended to administer them. Maybe this figure should be compared with what the Army expects to expend for similar observation by our defeated enemies in this country. In the GARIOA funds, the Army expects to spend \$1,300,000 to bring foreign students, foreign national leaders, teachers, trainees, and apprentices to the United States to observe and study what we are doing. In fact, the Army expects to spend \$344,000, the exact budget of the Joint Committee on Foreign National Leaders' Travel and Maintenance in the United States. In other words, the Army proposes to bring over these teachers and students to make a study of our affairs in the United States, and to expend in that particular effort exactly what the committee asks, so as to be able to advise the Congress as to how we shall spend \$4,500,000,000, where it is go-

ing, and so forth, and be able to answer questions of Senators.

But that is not all; the ECA also has a similar program with respect to the participating countries. In that program, which the ECA calls its technical assistance field, the budget calls for visits of European technicians to the United States for market research studies, \$100,000; for agricultural studies, they expect to spend \$1,600,000 for visits of European experts and workers to the United States; To study manpower utilization and conditions of employment, the ECA expects to spend for the visits of workers and labor leaders to the United States, \$500,000; as well as \$600,000 for visits of United States labor representatives to Europe. The ECA expects to spend, for officials of foreign governments to visit the United States and study our public administration and financial practices, \$500,000.

Mr. President, how do those figures compare with the funds the United States Congress, this body, expects to spend for one of its committees whose duty it is to study and report to the Congress on the progress and the administration of the very programs for which the agencies propose to spend millions of dollars?

This committee was set up in the Eightieth Congress by the basic law which provided for this European program. It is provided for in the basic law. When the basic law was passed by Congress a few months ago, it had been the subject of long study by the Foreign Relations Committee. No member of the Foreign Relations Committee, no Member of the Senate, indeed, no Member of the House of Representatives, attempted to strike from the bill the provisions creating this committee. If Senators wished to destroy the committee, to put it out of business, it seems to me that was the time to do so; but Senators should not now leave the committee with a mere pittance, if you please, to use in making the study, if it is to be made at all. It would be better to put the committee entirely out of existence, rather than to give it a mere pittance and instruct it to do something which cannot be done under the provisions of the amendment proposed by the Senator from Illinois.

This subject was studied by the Bureau of the Budget, and the budget recommended the \$344,000. That is the amount of the budget estimate.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. KEM. I should like to ask the Senator whether one of the purposes for which the ECA proposes to bring students and other persons to the United States is to have them study how to balance a nation's budget.

Mr. McCARRAN. I take it that that is one of the objects and purposes—to study how to balance our budget.

Mr. KEM. Is not that stated in the justification?

Mr. McCARRAN. I think it is.

Mr. KEM. I should like to ask one more question, namely, whether Mr. Hoffman in appearing before the com-

mittee testified that in his opinion it would be wise for the Government of the United States to enter upon deficit financing, rather than to cut the appropriations he requested of the committee.

Mr. McCARRAN. My recollection is that he spoke in favor of having deficit financing, rather than to do away with the ECA. I do not have his exact language before me, and I do not care to quote him; but that was the substance of his statement. But that does not answer the question as to whether this committee should continue.

Mr. President, I say again that if Senators wish to do away with this so-called watchdog committee, then let them do away with it, for that will be the best and cleanest way of carrying out such an intention; let them strike the committee off the statute books entirely.

But if Senators wish to get advice from the committee, if Senators wish the committee to do its work, then they should give the committee ample funds with which to do its work.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McCLELLAN. Did I correctly understand the able Senator from Nevada to say that the ECA legislation contains a provision for bringing people from foreign countries to the United States, to have them learn here how to balance a nation's budget?

Mr. McCARRAN. That would be one of the things into which they would look, quite naturally.

Mr. McCLELLAN. Does the Senator from Nevada recall that Mr. Hoffman, the Administrator of ECA, testified that all these foreign countries, save one or two, already have achieved the distinction of balancing their budgets?

Mr. McCARRAN. I do not recall that testimony.

Mr. McCLELLAN. He testified in the record that all of them except Greece and one other, I believe, had already balanced their budgets. In other words, it was his testimony that England, France, and the other countries, so he said, have balanced their budgets.

Under the circumstances, the United States will be the only one of importance that will not have balanced its budget.

Mr. McCARRAN. That may be so; I do not recall that statement in the testimony.

Mr. President, I wish to say that this committee was set up under the Republican Eightieth Congress. For the life of me, I cannot see why a Democratic Eighty-first Congress would be afraid to continue with a watchdog organization to watch how these moneys are expended. That is the responsibility of the committee.

When the committee first was set up, the then chairman of the Appropriations Committee, the distinguished Senator from New Hampshire [Mr. BRIDGES] was named chairman of the watchdog committee. In my judgment, he did a splendid job during the time he was chairman. It was only a few months later that the administration changed, and then the committee was called upon to elect a

new chairman. It fell to me to be named chairman of the committee, and since that time we have gone forward.

Our reports have not always been complimentary. I did not think we were set up for the purpose of everlastingly patting someone on the back, and saying, "You have done a fine job." I thought that when we found things that were not complimentary as regards the administration, we should say so, and should say so to the administration, so that the administration might correct them, if it found that our criticism was well founded.

I wish to say, Mr. President, that the administration did correct its tactics and its ways, after certain observations and criticisms which the watchdog committee filed with reference to such matters. No criticism has gone out to the public, if you please; but we have made criticism from time to time, so that the administration might correct their ways.

I take it that there may be a movement on foot at this time to put this committee out of existence, out of business, so far as finances are concerned, so that we shall not make any further criticisms. I shall be sorry indeed when that day comes, if it does.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. I wish to call the Senator's attention to some of the testimony in reference to the matter of balancing budgets. One of the witnesses at the hearings said:

England and Belgium probably are the only two countries that have balanced budgets. The other countries have what they call their ordinary budgets balanced; but they have extraordinary budgets, involving capital investments, and so on, that are not balanced.

I scarcely know how to interpret the last part of that statement, when the witness said that other governments have extraordinary budgets, involving capital investments. Evidently they have capital investments which are not entirely balanced. I suppose those are governments which have taken over private businesses and are running them. I make that assumption from the witness' testimony.

Mr. McCARRAN. Mr. President, on that matter, the testimony is as read by the Senator from Tennessee; and I have no comment to make about it. The only comment I have—and then I shall leave the matter with the Senate—is, if this committee is worthy of being maintained, then it should be properly staffed. There is no member of the committee, whether he be a Senator or a Representative, who can carry on his work in the committee and in the Congress without a proper staff for the committee. The staff consists now of 21 members. There are six members of the staff in Europe at the present time making a study of certain phases of the work in order that we may report to the Congress from time to time. We can recall them, which we shall do, if the appropriation is not passed by the Congress. We shall still be a committee, if you please, Mr. President, we shall still be charged with duties, but without the

money to carry out the responsibilities of the committee.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. McCARRAN. I yield the floor.

Mr. LUCAS. Mr. President, the Senator from Illinois was very much interested in the remarks of the Senator from Missouri [Mr. KEM] with respect to what Mr. Hoffman may or may not have testified before the Appropriations Committee. I do not know what Mr. Hoffman testified on the subject of deficit financing. It is the second attack the Senator from Missouri has made on Mr. Hoffman this afternoon.

I am not too familiar with Mr. Hoffman; I have met him a few times; but I do know something about his background. I know he is presumed to be one of the rugged individuals of this country who have come from the bottom, reached the top, and really made good in a big way in the industry with which he has been associated. He is one of the largest taxpayers of America. I should rely a great deal upon the judgment of an individual who pays into the United States Treasury the taxes he pays to keep the United States going, on deficit financing, or upon any other problem in which Mr. Hoffman might be interested and on which he might desire to offer testimony.

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Virginia?

Mr. LUCAS. I yield.

Mr. ROBERTSON. I heard the testimony of Mr. Hoffman on this point. Mr. Hoffman said he was opposed to deficit financing and hoped we would not have to resort to it, but that he thought the ECA program was an essential part of our peace program, and that he would rather see us engage in deficit financing than cut ECA below the point where it could do an effective job for peace.

Mr. LUCAS. That sounds like Mr. Hoffman, from the few conversations I have had with him, I may say to my able friend from Virginia. But if Mr. Hoffman is to be one of the issues in connection with this appropriation, I shall stand by him, regardless of what the Senate does. In this short colloquy, much has been said about balancing the budget, and about bringing foreigners here to learn how we are balancing our budget, thereby indirectly implying criticism of the financial condition of this country at the present time—an implied rebuke, so to speak. Yet, Mr. President, the same individuals who are in a way criticizing that very thing, are now asking the Senate to increase the appropriation of last year by \$76,720. The same people who are talking about economy and balancing the budget now want the appropriation increased \$76,720 above what it was last year. It is a marvelous thing to use the figure of \$344,000, which has been approved by the Bureau of the Budget, when it suits one's purpose. But this is the first time anybody who

has been talking about economy on the floor of the Senate has complimented the Bureau of the Budget for making a recommendation upon anything. In other words, every other item in the appropriation bill represents an effort to cut what the Bureau of the Budget has recommended; yet the Budget estimate of \$344,000 is used in order to sustain the position taken at the present time. So it seems to me if I were in the position of one of the members of the Appropriations Committee who are seeking to add \$76,720 to the appropriation of last year for the joint committee, I would not use the argument that the Bureau of the Budget had approved \$344,000, when at the same time, the committee has sought to cut every other item in connection with ECA recommended by the Bureau of the Budget a few months ago.

Mr. McKELLAR. Mr. President, if the Senator from Illinois will yield, I must protest.

Mr. LUCAS. Perhaps I am wrong. If I am, I shall certainly apologize.

Mr. McKELLAR. The Senator is in error about that. Speaking from memory, there is not one item in a dozen which has been cut. The committee followed the recommendation of the Bureau of the Budget in nearly every case. I express my deepest regret that the bill, coming from our committee after most careful consideration, should be criticized by our leader in this manner.

Mr. LUCAS. Mr. President, I am not criticizing.

Mr. McKELLAR. Oh, yes; the Senator has criticized the Appropriations Committee and the members of it. I am very sorry. I express my deepest regret that such criticism should come from my good friend, who I never dreamed would take any other part except to support the report of the committee, honestly made after the most careful examination, after a most thorough discussion, after weeks of study, and after probably the most vigorous opposition ever to be offered in the committee in the nearly 30 years, I believe, I have been a member of it.

Mr. LUCAS. I may be wrong, Mr. President. If I have criticized the Appropriations Committee in any way, I apologize, and certainly I apologize to my good friend from Tennessee.

Mr. McKELLAR. I thank the Senator.

Mr. LUCAS. I never want to criticize the Senator, or condemn him in any way. He is one of our great legislators. I know of no Member of the Senate who takes greater interest in his work or is more diligent than is the Senator from Tennessee.

Mr. McKELLAR. I thank the Senator.

Mr. LUCAS. I am with the Senator from Tennessee on this. It is my understanding the Appropriations Committee made a 10-percent cut in ECA funds recommended by the Bureau of the Budget to the President of the United States. Am I wrong about that?

Mr. McKELLAR. The Senator is partly right, partly wrong.

Mr. LUCAS. At any rate, the committee did not follow the recommenda-

tions of the Bureau of the Budget, but made a cut. I am with the committee in that action. I am going to support it.

Mr. McKELLAR. I am most happy to hear that.

Mr. LUCAS. I thought the Senator would be with me, the moment I told him that.

Mr. BRIDGES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LUCAS. I yield.

Mr. BRIDGES. I do not see why the controversy which has developed about Mr. Hoffman need be injected into this particular debate.

Mr. LUCAS. I did not at all inject it into the debate. It was the Senator from Missouri [Mr. KEM] who injected it into the debate. I merely attempted to reply. I know the Senator wanted me to defend Mr. Hoffman. Had the Senator been in the Chamber at the beginning of the discussion, he would have done so, if I had not.

Mr. BRIDGES. I think very highly of Mr. Hoffman and, generally speaking, of the work he has done. But I merely want to say a word to the distinguished majority leader on the subject of the performance thus far of this particular "watchdog committee." The Senator from Illinois has made some remarks about Members of this body, who believe in economy, having in this instance favored an increase in the appropriation. I want to say to the Senator from Illinois that I have, with two or three exceptions, favored every decrease in appropriations which has been proposed. In fact, as the Senator knows, I proposed most of them, or a large number of them, both in committee and on the floor. There are perhaps two or three exceptions. One was when I supported the increase in the number of agents in the Bureau of Internal Revenue, because I believed, in that field, it was money well invested. I supported the appropriation for the new Senate Office Building, which the distinguished Senator from Louisiana opposed, because I thought it would give us equipment necessary in order to do a good job here, and because I believed the additional space was needed.

With regard to this particular item of appropriation for a committee, we are spending billions upon billions of dollars for the ECA, and I think the Congress would be derelict in its duty if it did not appropriate sufficient money to a committee duly authorized by law to keep a watchful eye over ECA appropriations.

The Senator from Nevada [Mr. McCARRAN] as chairman of the committee has done an excellent job, the members of the committee are conscientious, and, generally speaking, the Joint Committee have a very competent staff. I think it is entirely appropriate to ask for a few thousand dollars to enable a committee to watch billions of dollars being spent under an authorization of the Congress. I think it can readily be justified.

Mr. LUCAS. The Senator from New Hampshire is always very persuasive in

his arguments. Of course we can justify a watchdog committee with regard to practically every phase of Government, if we start such a committee. The Army, Navy, and Air Force spend four times as much all over the world at the present time, and we do not have any watchdog committees for those expenditures. Maybe we should have one.

Mr. BRIDGES. This is a little different from money being spent by our own armed services. This is money which has been appropriated and which goes into a cooperative program with many countries in Europe, and for that reason there is a different relationship between money spent by a foreign government, which this country is furnishing, and money spent by one of our own domestic departments.

Mr. LUCAS. That may be true. But let me answer the Senator from New Hampshire by showing how the committee is attempting to branch out and get away from the countries involved in the ECA. If the Senator has read the bill he knows that they are now asking for the watchdog committee to go into Japan, Korea, and Germany. In other words, they do not stop with the ECA countries, but they are going to many others.

Mr. McKELLAR. Is not that the law?

Mr. FERGUSON. Mr. President, will the Senator yield for an observation?

Mr. LUCAS. I do not want to yield for a speech. I shall yield for a question, because I want to get along.

Mr. FERGUSON. I shall obtain the floor in my own right.

Mr. BRIDGES. Mr. President, this is nothing new.

Mr. McCARRAN. That is correct. I read the provisions of the law to the Senate. It was the law which established GARIOA, and provided that the watchdog committee should have observatory powers over the expenditures under GARIOA.

Mr. LUCAS. I may be wrong, but it has been pointed out to me, and my own examination convinces me, that the language in this bill is broader than the language of last year, under the original act.

Mr. KEM. Mr. President, will the distinguished majority leader yield for a question?

Mr. LUCAS. I will yield to the Senator from Missouri for a question.

Mr. KEM. I should like to ask the Senator if Mr. Hoffman did not appear before the Appropriations Committee and testify as follows:

I am in a very odd position here of attempting to do a little defending of deficit spending, which I do not like at all.

Mr. LUCAS. I do not know what Mr. Hoffman testified. I am not a member of the Appropriations Committee.

Mr. KEM. I thought the Senator was undertaking to advise the Senate as to how Mr. Hoffman had testified.

Mr. LUCAS. No. The distinguished Senator from Missouri was the only Senator who raised that question; and the Senator was corrected by the Senator from Virginia [Mr. ROBERTSON].

Mr. KEM. In what respect did the Senator from Virginia correct me?

Mr. LUCAS. I understood him to say that Mr. Hoffman, from his testimony, believed in deficit financing.

Mr. KEM. He said he would be willing to go into deficit financing, if necessary, rather than to cut down the amount of ERP appropriation.

Mr. LUCAS. That is his testimony; but the Senator did not say that.

Mr. KEM. I will ask that the record be read.

Mr. LUCAS. Maybe I am wrong.

The VICE PRESIDENT. The Senator from Illinois cannot yield to have the record read.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. LUCAS. I yield for a question.

Mr. KEM. I will ask the Senator if he does not feel that this is a fair summary of Mr. Hoffman's testimony before the Senate Appropriations Committee—

Mr. LUCAS. I have not read it.

Mr. KEM. Let me read it.

Mr. LUCAS. Very well.

Mr. KEM. The Senator has brought up the point.

Mr. LUCAS. No; I did not bring it up; the Senator from Missouri brought it up.

Mr. KEM. I will ask the Senator if he did not take some exception in that respect to the remark of the Senator from Missouri.

Mr. LUCAS. I merely defended Mr. Hoffman, and I was glad to do so.

Mr. KEM. I will ask the Senator if his defense of Mr. Hoffman would go to the extent of saying that the following language used by him before the Senate Appropriations Committee is not a fair summary of his testimony on this point:

I am put in a very odd position here of attempting to do a little defending of deficit spending, which I do not like at all.

Mr. LUCAS. I do not like it either. I agree with Mr. Hoffman. I do not know of anyone who does like deficit spending. I agree with him that if it is necessary to keep the program going in the interest of world peace, it should be done. That is exactly what he stated in his testimony.

Mr. KEM. Is not that exactly what the Senator from Missouri said Mr. Hoffman testified to?

Mr. LUCAS. I do not know what the Senator said. I understood the Senator, in his speech this afternoon, was rather criticizing Mr. Hoffman. I do not know why the Senator even brought it up. Why was Mr. Hoffman brought into this, in the beginning, on the question of deficit spending? It has absolutely nothing to do with the pending measure before the Senate.

Mr. KEM. Mr. President—

Mr. LUCAS. I have the floor, and I shall keep it for a little while.

The Senator from New Hampshire [Mr. BRIDGES] said a moment ago that he could not understand why Mr. Hoffman was brought into the matter, and I cannot understand it either; but in view of the fact that he was mentioned by the Senator from Missouri, I thought it was necessary to say a word in his behalf, which I am always glad to do.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. I think it might be well for the Senator from Illinois, in view of his statement that the watchdog committee now proposes to go into China and Japan, to read the law on the subject, the Foreign Aid Appropriation Act, providing for assistance to China, National Military Establishment, Department of the Army, civil functions, government and relief in occupied areas.

I now turn to page 360 of the budget, and read as follows:

And further provided, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948, shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for government and relief in occupied areas as it has with respect to programs under the Economic Cooperation Act of 1948.

I think it would be well for the Senator from Illinois to have some conception of the law before he says this committee is trying to branch out all over the world.

Mr. LUCAS. I thank the able Senator from Nevada for that last contribution of his. I well know what a distinguished lawyer he is.

Mr. McCARRAN. I did not ask the Senator from Illinois for that.

Mr. LUCAS. I am giving it to him, because I like the Senator from Nevada, and he is a great lawyer. I would not, under any circumstances, attempt to compete with the great legal ability he exercises on the floor of the Senate.

Mr. McCARRAN. The sarcasm of the Senator from Illinois—

Mr. LUCAS. I did not yield for that.

Mr. McCARRAN. The Senator was addressing me personally. Will he not yield?

Mr. LUCAS. I decline to yield. I hope the Senator understands it.

Mr. McCARRAN. I do understand it.

Mr. WILEY. Peace, brethren, peace!

Mr. LUCAS. Mr. President, I do not find the particular section to which I had reference, but I shall find it before the debate is concluded.

I want to get back for a moment—

Mr. KEM. Mr. President, will the Senator yield?

Mr. LUCAS. I yield for one question.

Mr. KEM. The one question is this: Is not what Mr. Hoffman has done with the money already entrusted to him entirely relevant and material in a debate on the question as to whether additional money shall be entrusted to him?

Mr. LUCAS. This money is being entrusted to another committee, not to Mr. Hoffman.

Mr. KEM. Will the Senator further yield?

Mr. LUCAS. I yield.

Mr. KEM. Did the Senator not refer to what I said earlier this afternoon in criticism of Mr. Hoffman, in discussing the amendment offered by the Senator from Arkansas [Mr. McCLELLAN], the Senator from Nebraska [Mr. WHERRY], and myself?

Mr. LUCAS. If I can just get Mr. Hoffman out of the picture I shall apol-

ogize to the Senator for anything I said.

Mr. KEM. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KEM. May I suggest to the Senator again, that it was he who took exception to what I said with respect to Mr. Hoffman and injected himself into the discussion which had taken place earlier this afternoon and again recently.

Mr. LUCAS. I thank the Senator. The Senator from Nevada [Mr. McCARRAN] in recommending this amendment to the Senate Committee on Appropriations, suggested that the additional amount was necessary because he intended to follow a different policy from that which the Senator from New Hampshire [Mr. BRIDGES], the former chairman, had followed. The Senator from Nevada said:

I believe the committee can do the best work by sending teams of two over to Europe to go in and make a study of what has been done by the ECA.

Mr. President, for the full fiscal year 1949 the committee expended \$194,941.89 of a total appropriation of \$267,280. Its total expenditures up to June 30, 1949, were \$209,875.56, and the committee is now requesting an increase of \$76,720 in its appropriation for the fiscal year 1950.

Mr. WILEY. How many months would be involved?

Mr. LUCAS. Twelve months. There are 21 persons on the staff of the committee. The committee is under the supervision of Charles S. Dewey, who is employed at a salary of \$15,000 a year. Four of the staff members are paid \$12,000 annually. There are four more who are paid \$10,330, and six who are paid \$8,432.

Mr. President, Mr. Dewey is paid more than is received by Colon F. Stam, who is the chief of staff of the Joint Committee on Internal Revenue Taxation, one of the most important committees that has ever been set up in the Government. Mr. Dewey gets more than almost any other individual I know of who has ever worked around a committee since I have been in the Congress of the United States. Yet the committee wants nearly \$77,000 more in order to put on about 10 more employees in connection with its work.

It may be worth it, but I remind the Senate of the fact that the House of Representatives sent this bill to the Senate without a single word about the watchdog committee. Of course I do not know what the House will do when the bill goes to conference, but I think I have a pretty good idea about this whole thing.

Mr. President, I have studied the reports which have been made by the committee, and of course there are some things in the reports which are good. They have prepared about a dozen reports, eight of which are available at the present time. I think a fair summary can be made of the work of the committee as follows:

The greater part of their activity has been devoted to obtaining information principally from ECA itself, and from other agencies and reporting on it. Frequently the same information which can be found in its reports is available to any

Member of Congress by calling upon the ECA, or going into the records of the ECA.

Many of these reports contain information which is published in more detailed form in the President's Quarterly Report to Congress on ECA Operations, and in ECA documents.

I do not say that the committee has not done some good work, but the Senate and the Congress are being asked to make cuts in appropriations all along the line, and we are presented with a bill asking for a cut of 10 percent in the ECA appropriations recommended by the President. At the same time, with a going concern which has been operating for a year or more, and which ought to be functioning properly, we are asked for an additional \$77,000 in order to put some 8 or 10 more people on the pay rolls, to go to Europe or do something else, though the Committee on Appropriations is going to Europe and going over this country, when this session of Congress closes, to do practically the same thing the watchdog committee is going to do, namely, to ascertain how the money that has been appropriated is being spent. If the Senate wants to give them \$344,000 of course it will do it, but I think it is time to begin to level off. If we continue this committee, it will be spending around a million and a half or \$2,000,000, should we continue to increase the appropriation, before the ECA finally comes to a close.

Unless the committee can show more than I have ever seen in any of the reports up to the present, instead of increasing the trend toward the appropriation of more money and putting more people on the pay roll, we ought to do just the opposite and take some of them off.

Mr. President, that is all I have to say with respect to the matter.

Mr. VANDENBERG. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Michigan.

Mr. VANDENBERG. In thinking the matter over, I have been wondering whether the Senator from Illinois would not be on firmer ground if he changed his amendment to cover the expenditures made by this committee during the last fiscal year, which would be in the neighborhood, as I understand, of about \$200,000, instead of \$100,000. I think there is something to be said for the viewpoint of the able Senator from Nevada, that if there is to be a committee, it should be adequately equipped. On the other hand, I am unable to see why it is necessary to increase the expenditures this year.

So far as the argument about the Bureau of the Budget is concerned, I think I am accurate when I say that the Bureau of the Budget never in its life tampered with a suggested appropriation by the House or Senate in respect to its own business. It always takes whatever figures the House and the Senate present. I offer the suggestion I have made to the Senator. It seems to me if he followed it he would be on more tenable ground.

Mr. LUCAS. Mr. President, I appreciate the suggestion made by the Senator from Michigan.

Mr. DOUGLAS rose.

Mr. LUCAS. Does my colleague desire that I yield to him?

Mr. DOUGLAS. Mr. President, I should like to have my colleague clarify a little confusion in which I find myself. I take it this is an appropriation for the Joint Committee on Foreign Economic Cooperation, that it is a committee of both Houses.

Mr. LUCAS. The Senator is correct.

Mr. DOUGLAS. Yet the Committee on Appropriations is apparently asking us to bear the entire expenses of the joint committee out of the fund for the contingent expenses of the Senate.

Mr. LUCAS. I think what will happen is this: The appropriation will really come out of the Federal Treasury, and it will be carried into the contingent fund, but the contingent fund will be used only as a matter of convenience for the payment of the vouchers. I think that is correct.

The VICE PRESIDENT. The Chair would like to refer to the ruling in which he passed a while ago on the point of order on the amendment, and also the point raised by the Senator from Georgia in regard to the automatic recommittal of the bill.

On May 3, 1938, a legislative appropriation bill was under consideration, and the then Senator from New York, Mr. Copeland, made a point of order against a committee amendment to the bill which proposed to change the appointive agency in the item for the Legislative Reference Service in the Library of Congress from the Librarian to the President of the Senate and to the Speaker of the House of Representatives. The Chair sustained the point of order made against the amendment, and held that the sustaining of a point of order against the amendment did not automatically send the bill back to the committee.

Later, when there was a legislative bill before the Senate, the Senator from Tennessee [Mr. McKELLAR], the President pro tempore, being in the chair, the committee had brought in an amendment proposing that only those Senators should draw mileage who had gone home in the interim between the second and third sessions of the Congress. The point of order was sustained on the ground that it changed existing law. The Chair held also that it did not automatically return the bill to the committee.

In 1940, during the consideration of the independent offices appropriation bill, when a point of order was made against a committee amendment which was sustained, an inquiry was made by the then Senator from Colorado, Mr. Adams, as to whether the sustaining of the point of order against the amendment would automatically send the bill back to the committee, and the Chair for the third time held that it would not.

The Chair wanted to have that statement in the RECORD while the subject is fresh in the minds of Members of the Senate.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I ask the distinguished Vice President, if the Senator from Georgia [Mr. RUSSELL] had made the point of order against the bill would the ruling have been the same?

The VICE PRESIDENT. The Chair does not like to pass on a point of order until it is made. Such a point of order was not made, and the Chair did not pass on the question.

Mr. WHERRY. But as I understand the distinguished Vice President, he makes a distinction between a point of order made on an amendment and a point of order made on the bill itself.

The VICE PRESIDENT. That is correct. The Chair might as well say that if a bill contained many legislative provisions which are in violation of the rule of the Senate, and a point of order were made against the whole bill on that ground, the Chair then would have to rule that the bill must be recommitted. But heretofore, in many instances, the Appropriations Committee has avoided that situation by withdrawing committee amendments which were subject to a point of order, and offering them from the floor, in which case they would not affect the validity of the bill insofar as the rule is concerned.

A point of order may be made against an amendment offered from the floor which is in violation of the rule. Of course, that would not send the bill back to the committee automatically. But if any Senator should make a point of order against the whole bill on the ground that it contained provisions which were in violation of the rule, because they constituted legislation on an appropriation bill, the Chair would feel compelled to rule accordingly. But that is not the situation on which the Chair was asked to rule.

Mr. WHERRY. Mr. President, another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. So that in the further consideration of the bill, if the same question should be raised, in order to recommit the bill, it would be necessary that a point of order be made against the bill itself, against the whole bill?

The VICE PRESIDENT. A point of order, in order to operate to send the bill back to the committee, would have to be made against the whole bill on the ground that it contained legislation on an appropriation bill, but if a point of order were made to each amendment individually in the bill, a different ruling would have to be made.

Mr. FERGUSON. Mr. President, I realize the hour is late, but I should like to say a few words about the pending amendment. I hope the Senate will adopt it and allow the sum of \$344,000 for the watchdog committee. Many times on the floor of the Senate I have advocated cuts in expenditures because I have felt that in many cases such cuts were justified, because the amounts proposed to be appropriated were extravagant, and a better job could be done with less money.

While I am not a member of the watchdog committee I know something about the work it has been doing. The question with which Congress is faced today is: Does the Congress desire to have a committee independently to investigate certain problems connected with the expenditure of much more than \$4,000,000,000 a year? The "watchdog committee" is a joint committee of both Houses of Congress, with 21 members, and a staff. The purpose of the committee is to supervise the expenditures in a way, or at least to obtain knowledge for the Senate and for the House respecting the \$4,000,000,000, in some 16 or 18 countries, in the Pacific area as well as in the Atlantic area.

We are now quibbling over whether the committee shall be allowed \$100,000 or \$344,000. There are two ways to kill the committee. One is to vote no money for it at all, thus letting it pass out of existence. The other way is to appropriate the sum of, say, \$100,000 for its work, with which the committee could employ some 8 or 10 persons to act as members of its staff. If that is what the Congress of the United States wants to do, that is what it should do—vote it out of existence, or make it impotent to do its work efficiently. There is no use in the committee trying to do its work for the Congress unless it does it well. I hope the Senate will vote the full amount. That will enable the committee to have a sufficient staff to function properly.

If there is one committee of the Senate which today does not have a sufficient staff, it is the Appropriations Committee. I have advocated, and there is in the independent offices appropriation bill, a provision for \$800,000 for the GAO to employ a new staff in order that it may do much needed work for the Appropriations Committee of the Senate and the Appropriations Committee of the House. When the Government is spending upward of \$42,000,000,000 a year, there should be a staff composed of a sufficient number of efficient members to look into questions which are before the Congress in connection with appropriations and give the Congress the benefit of their independent judgment.

It has been said that if we want the evidence all we have to do is to call up Mr. Hoffman, or members of his staff, and obtain it. I appreciate the great work Paul Hoffman has done. He is trying to do efficient work. But he cannot exercise the discipline over his staff that Congress can in respect to its own staff. If we want independent figures and independent facts with respect to the various countries where ECA money is being spent, we should be at liberty to send our own staff there.

Mr. President, I remember when this question arose on the floor for the first time. Congress in providing appropriations for ECA created a watchdog committee. Now, after the watchdog committee has been in existence for 1 year, it is in the control of the majority party. It is no longer in the control of the minority party. Why should it not continue in order that the Appropriations Committee may do its work efficiently?

I hope the Senate will vote the full amount of \$344,000.

Mr. LUCAS. Mr. President, I had a conversation last evening with the distinguished Senator from New Jersey [Mr. SMITH]. He hoped he could be present today because he is a member of the watchdog committee. He advised me that he thought probably the amount could be cut to around \$200,000. I am going to modify my amendment by increasing the amount to \$200,000.

The VICE PRESIDENT. The modified amendment offered by the Senator from Illinois to the amendment offered by the Senator from Nevada on behalf of the committee will be stated.

The CHIEF CLERK. On page 1, line 3 of the amendment of the committee, it is proposed to strike out "\$344,000" and insert in lieu thereof "\$200,000."

Mr. MCCARRAN. Mr. President, I hope the amendment will not prevail. I again urge upon the Senate either to put the committee out of business completely and make no appropriations for it whatever; let us discharge the staff, and let the committee stand without any funds whatever, which will put it out of business, or else give it funds ample to perform the duties which the law prescribes it perform. If any Senator were to charge that the committee has been extravagant, that it has been lavish in its expenditures, that any member of the committee has traveled unnecessarily at the expense of the Congress, then I should like to have him say so. But I can assure anyone who would make such a charge that there would not be a word of truth in it.

The salary fixed for Mr. Dewey was fixed when Mr. Dewey was selected by unanimous vote of the committee. Mr. Dewey was regarded as having qualifications, talents, and experience which warranted such a salary. The other members, who receive \$12,000 and \$10,000, respectively, are attorneys of standing. They were taken from positions in which they were undoubtedly receiving more than that. They are now doing good work for the committee. They have traveled in Europe and brought back reports.

So far as our getting the information from ECA itself is concerned, there is not a word of foundation for such procedure. We have obtained our information from the grass roots, by going to authentic sources of information. What we did was to present the information to Mr. Hoffman and say, "Here is our information. Look into it and see if you want to correct the procedure. If you do, we shall be glad to give you the information we have gathered." In many instances he was grateful for the information we gave him, and corrected his policies accordingly.

Let us not keep this committee in existence but impotent because it has not the money with which to perform its duties. If \$344,000 is allowed, it will be allowed after a study has been made of what we should do. I have already stated that we were unable to carry out our responsibilities with reference to GARIOA because we did not feel that we had sufficient funds to perform our du-

ties, so we sent no one to follow up in connection with GARIOA. We did follow up as regards ECA, and we brought the information not only to Mr. Hoffman, but to the Congress itself, by means of printed reports.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MCCARRAN. I shall be glad to yield in a moment.

Mr. President, I leave the subject with the Senate, with the statement that it is a thousand times better that the committee go out of existence than to be doing only a quarter job or a half job, or no job at all.

I now yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the Senator talks about the committee being put out of business under this amendment. I am mystified by the parallel statement that the amount now proposed is substantially the same amount which the committee spent in the last fiscal year. Am I correct in that statement?

Mr. MCCARRAN. The Senator is correct; but we did not carry out our responsibilities as we should have done, because we did not feel that we had sufficient funds. We did not carry out the obligations which were imposed upon us by the law which I read to the Senator from Illinois a little while ago. This was under the GARIOA Act, which was a different act from the ECA Act, in which it was provided:

And provided further, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948, shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for government and relief in occupied areas as it has with respect to programs under the Economic Cooperation Act of 1948.

We were unable to go into that work because we did not feel that we had the funds. We were unable to carry out our duties under the GARIOA Act, and under the relief act pursuant to it. That being true, we asked for additional funds so that we might be properly staffed to carry out our obligations under the two acts. We have been fulfilling our duties to the best of our ability under one act. We must carry out our duties with reference to the two acts, or not at all, in my judgment.

Mr. VANDENBERG. I was curious about the Senator's statement that the committee would be out of business if it had the same amount of money for next year that it had last year, in view of the very fine job it did last year with the money it had. So I cannot see how the committee would be put out of business overnight if it had the same amount of money during the next year as it had during last year.

Mr. MCCARRAN. We have additional duties to carry out under a different act of Congress.

Mr. LUCAS. Mr. President, I wish to make one statement before we vote. On page 12 of the bill there is an amendment which provides as follows:

Provided further, That the Joint Committee on Foreign Economic Cooperation established

pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948, as amended, shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for government and relief in occupied areas as it has with respect to programs under said act.

That is a committee amendment. I now find that this is the same as the basic law read by the distinguished Senator from Nevada a moment ago. The Senator from Illinois had a right to believe, when he read this language, that it was something new. After all, in my opinion this amendment is absolutely unnecessary, because it is already written into the law. That is the reason I made the argument which I made a moment ago, because I had a right to believe, without going back and rereading the basic law, that under this amendment they were going into occupied areas.

The VICE PRESIDENT. This language seems to be merely a repetition of the law itself, heretofore enacted.

Mr. LUCAS. The Chair is correct.

The VICE PRESIDENT. For what reason it is repeated, the Chair has no knowledge.

Mr. WHERRY. Mr. President, as a member of the Appropriations Committee, I am one of those to whom I am sure the majority leader referred when he said that he was rather surprised that Senators who are always for economy should now favor a larger appropriation for this committee.

I am certainly in favor of the watchdog committee, and I am in favor of giving it enough money to do the job properly. I refer to the colloquy which I had with the distinguished majority leader when Senate Concurrent Resolution 38 was introduced, which provides for a legislative committee, and provides for furnishing sufficient personnel to the committee to enable it properly to discharge its responsibilities. I say with all sincerity that I feel that the committee amendment is justified, and I hope that it will prevail.

Some mention has been made this afternoon of the money which is to be spent by ECA in the study of fiscal policies in the United States. We are talking about providing the committee with funds to carry out its responsibilities. Whether we are for the committee or not, I agree with the Senator from Nevada that unless we give the committee enough money to do the job properly, we should abolish the committee.

We are talking about an appropriation of \$344,000. For the Record, I should like to refer to pages 122 and 123 of the hearings. I shall not take the time to read all the discussion. On those pages will be found a colloquy between Mr. Hoffman, the Administrator, for whom I have profound respect, and the junior Senator from Nebraska.

First there was the question of spending \$500,000 to bring officials over here from foreign countries to study the balancing of the budget and the fiscal policies of the United States. Mr. Hoffman's comment was that he had never heard of it, and that it was fantastic.

Then I asked about the \$800,000 earmarked to send ECA representatives

overseas to carry to Europe the gospel of good financial management, and to learn something about financing. Mr. Hoffman stated that that was fantastic; that it was misrepresentation, misinformation. Yet it will be found from page 123 that I quoted from the justifications, which dealt with the expenditure of \$1,300,000 to bring a few Europeans over to the United States to learn how to balance the budget, which has not been balanced for 16 years.

Mr. PEPPER. Mr. President—

Mr. WHERRY. Then it is proposed to send representatives from here over to Europe to learn the same thing. Just think of it.

When I finally confronted Mr. Hoffman with the justifications, he said that he still thought the figures were fantastic, and that he could not believe the record.

I do not mention that as a reflection against Mr. Hoffman. I respect him. I believe that as Administrator he has done as well as anyone could have done in handling the ECA funds. The point I am making is that we are arguing over an appropriation of \$344,000 to equip a committee with a staff which can do the job; yet we do not even raise our voices against an expenditure of \$1,300,000 so that Europeans may understand how we balance the budget over here, and in order that we may go over there and see how they balance theirs.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. PEPPER. I had assumed, when the first inquiry was made about people coming over here to learn about balancing the budget, that it was a humorous suggestion; but it has been repeated so often that I fear it is being taken seriously. Even if it be true that that is one of the things they might hope to learn here, and even if it might be that they would be disappointed if they hoped to learn it, would not they also hope to learn a little something in a field in which we can teach the world better than anyone else can teach, namely, something of the industrial techniques they need to learn about in order to be able to produce more at less cost? Is not that the real reason why they would hope to come to the United States?

Mr. WHERRY. Mr. President, in answer I shall read the colloquy to the Senator. I would not wish to misrepresent it:

You are sending them money to learn how to spend money on deficits.

Then there is the following statement by Mr. Hoffman, and the further statement by me:

In the first place, the statement is fantastic. Senator WHERRY. I just got it out of the Wall Street Journal.

Let me ask you about this:

"Another \$800,000 are earmarked to speed ECA envoys overseas carrying to Europe the gospel of good financial managing. Sponsors figure 36,000 man-days will be spent in two-way educational processes."

There is nothing there about industrial production.

I read further:

My question then was:

Are you going to do that?

If you did not get that \$800,000, you would not wreck your program over there, would you, Mr. Hoffman?

Now, the next thing in the record is:

Mr. HOFFMAN. I cannot tell you about the \$800,000, or \$500,000. I do not know where those figures came from. That is more misinformation you get in newspapers.

I read further:

Now, Mr. Hoffman, if you will turn to page III-12 of your justifications, here is what you say:

I wish I had the justification here. It is a large bound book, with the title printed in gold letters, and it gives all the justifications.

I said this to Mr. Hoffman:

Here is what you say:

The program envisages some 16,000 man-days to be spent outside the United States by United States Government and other experts and that some 20,000 man-days will be spent in the United States by those who can benefit from the observation and study of American practices and standards.

In other words, practices and standards of finance. That relates to the justification.

I read further:

Then you have the following:

Visits of officials to United States, \$500,000.
Expert services provided to Europe, \$800,000.

That might be a small thing to you, but here is the exact amount for the very purposes that were presented to you yesterday.

They were in the justification; yet Mr. Hoffman said they were fantastic, so he said, because they came out of the newspapers.

I read further:

You said the statement was fantastic; that it was misinformation, and it was right in your justification.

I want to ask you this question, as one who is seeking to do what you are trying to do—

And I compliment him; I think he is trying to do a good job—

as you say, to get every dollar's worth out of every dollar we spend.

If you do not know any more about your justification than that, how can you tell me that if you reduce the budget \$1,000,000,000 or half a billion dollars it is going to wreck the economy of Europe?

Mr. HOFFMAN. That is a very embarrassing question.

Mr. President, there is not one word there about any study regarding the productivity of industry in the United States. Not one word about such a matter appears in the entire colloquy. Two figures are mentioned: \$500,000 to be used to permit foreigners to come to the United States and study how to balance our budget, and \$800,000 to be used by certain representatives of the United States to go to the foreign countries and study how to balance their budgets. Those are the figures referred to in the colloquy, and that is why the matter is under discussion now. Those figures appear in the justification.

Yet, Mr. President, we are quarreling about an item of \$144,000 to be given to the "watchdog committee" to enable it to employ an expert staff which can help us and guide us in connection with the spending of nearly \$5,000,000,000. Just imagine, Mr. President, we are quarreling about an item of \$144,000 in connection

with the spending of approximately \$5,000,000,000. Yet in the justification there are two items totaling \$1,300,000, which we are told are to be used to teach foreigners how to balance the budget of the United States of America, which has been out of balance almost ever since I can remember, and also are to be used to send experts from the United States to learn how to balance the budgets of the European countries.

Mr. McKELLAR and Mr. PEPPER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield first to Senator from Tennessee, and then I shall be glad to yield to the Senator from Florida.

Mr. McKELLAR. Mr. President, I simply wish to ask the Senator from Nebraska if he will place in the RECORD at this point section V, on page III-11 of the justification, running down to the end of that section.

Mr. WHERRY. Mr. President, I ask unanimous consent that that may be done, because that is what I have been discussing.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

V. ASSISTANCE IN APPROVING PUBLIC ADMINISTRATION, FINANCIAL PRACTICES, AND ECONOMIC REPORTING

ECA's willingness to act favorably on European requests for assistance in the improvement of Government administration is based on the conviction that economic recovery is directly dependent upon the effectiveness of plans and administrative action on the part of the governments. The competence of the ministries of economics, industry, public works, agriculture, and finance, determines in large measure how well the countries can carry their ERP responsibilities. Poorly organized government agencies devoid of well selected and trained personnel or utilizing antiquated methods constitute a serious handicap to economic recovery.

Under the bilateral agreements participating countries are obligated to make all practicable measures to balance their internal budgets as a means toward stabilizing of the currency. Inadequate controls over governmental expenditures and ineffective or inadequate systems of taxation create unbalanced budgets thereby contributing to inflation and postponing recovery.

Any steps which ECA can take, at the invitation and with the consent of the participating government, to assist in improving the administration of those ministries concerned with ERP matters and securing coordination among them may constitute a contribution toward recovery of substantially greater value than an equivalent expenditure for commodities or raw materials.

The program envisages some 16,000 man-days to be spent outside the United States by United States Government and other experts and that some 20,000 man-days will be spent in the United States by those who can benefit from the observation and study of American practices and standards.

Visits of officials to United States— \$500,000
Expert services provided to Europe— 800,000

Mr. PEPPER. Mr. President, will the Senator yield to me at this time?

Mr. WHERRY. I yield.

Mr. PEPPER. Perhaps I did not hear something the Senator from Nebraska read, but in what he read I did not hear

anything which would show that the purpose of the missions of such foreigners to the United States would be to learn how to balance the governmental budget. Will the Senator from Nebraska be kind enough to refer to the language stating that they were to come to the United States to learn how to balance the governmental budget?

Mr. WHERRY. Mr. President, the colloquy is four or five pages long. If the Senator from Florida wishes to place a different interpretation on it, that will be perfectly agreeable to me. The Senator from Florida can do so, and can make a speech in the Senate tomorrow regarding that matter, if he wishes to.

But as a United States Senator, I have placed my interpretation of that matter in the RECORD. If the Senator from Florida wishes to place a different interpretation upon it, he can do so.

But I say that what I have indicated is the purpose of the proposed expenditure of \$1,300,000, and yet we are quarreling about the expenditure of a total of \$344,000 for the staff of a committee whose services have been very valuable in connection with these foreign expenditures.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MALONE. I wonder whether perhaps closer inspection of this matter may show that if this provision is approved by the Congress, these foreigners will come to the United States to find out how we get away without balancing our budget. Has the Senator from Nebraska any comment to make as to that?

Mr. WHERRY. I say the RECORD shows that studying the balancing of the budget is the primary purpose for which these foreigners will come to the United States, under this appropriation, if it is made.

Yet Mr. Hoffman said, when he was questioned about this matter:

I do not know where those figures came from. That is more misinformation you get in newspapers.

And later he said:

That is a very embarrassing question.

Mr. President, it is all right for him to take that position, but that is all the more reason why there should be a watch-dog committee to help Mr. Hoffman and to help the Congress. Under the circumstances, I think the proposed expenditure of \$344,000 is a good investment in good government.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. Are we to understand that in the colloquy with Mr. Hoffman, he stated he did not know that there was in the budget an item of \$800,000 and another item of \$500,000 for the purposes the Senator from Nebraska has described?

Mr. WHERRY. That is correct.

Mr. CAPEHART. Mr. Hoffman did not know that those items were in the budget, and neither did he know their purpose?

Mr. WHERRY. That is correct.

Mr. CAPEHART. I can think of no better reason, then, why we should have somebody to check on the ECA appropriations.

Mr. HICKENLOOPER. Mr. President—

The VICE PRESIDENT. The Senator from Iowa.

Mr. CAPEHART. Mr. President, just a moment, please. Did not the Senator from Nebraska yield to me?

The VICE PRESIDENT. He did, but the Chair thought the Senator from Indiana had completed his statement and that the Senator from Nebraska had finished yielding to him.

Mr. CAPEHART. I am sorry, but I have not finished. I think the Chair was perhaps a little quick on the trigger, although I appreciate that perhaps we should proceed a little more expeditiously in deciding about this matter.

But I wish to say that the watchdog committee certainly can render an important service by watching the budget the Director of the ECA sets up, even if it does nothing more than inform him what is in his budget.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. WHERRY. I yield.

Mr. HICKENLOOPER. I should like to get my thinking about these matters straight. I understand we are quarreling, not about \$300,000 or \$400,000, but about a total of \$144,000, because the opponents of the committee amendment want the total amount to be \$200,000 and the proponents of the committee amendment wish the total to be \$344,000. So it seems to me that only \$144,000 is involved in this controversy. Does the Senator agree as to that?

Mr. WHERRY. Oh, yes. In fact, I shall agree with almost anything in that connection if the Senate votes to allow the \$344,000.

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from Illinois to the committee amendment, beginning on page 1, in line 10.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is the vote to be taken on the Lucas amendment involving a reduction to \$200,000 of the McCarran amendment offered on behalf of the committee?

The VICE PRESIDENT. That is correct.

The question is on agreeing to the amendment of the Senator from Illinois, as modified, to the amendment of the Senator from Nevada, offered on behalf of the committee, on page 1, in line 10.

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll, and Mr. AIKEN voted "yea" when his name was called.

Mr. BREWSTER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BREWSTER. I should like to know what the vote is being taken upon.

The VICE PRESIDENT. The Chair will endeavor to state it:

The Senator from Illinois has offered an amendment, which now has been modified, to the amendment offered by the Senator from Nevada, on behalf of the committee, on page 1, in line 10. The effect of the modified amendment of the Senator from Illinois to the amendment offered on behalf of the committee would be to reduce the appropriation from \$344,000 to \$200,000.

The amendment of the Senator from Illinois, as modified, to the amendment offered by the Senator from Nevada on behalf of the committee is what is now being voted on.

Mr. BREWSTER. So a vote of "yea" would be for the amount of \$200,000; is that correct?

The VICE PRESIDENT. The Chair thinks so. [Laughter.]

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Colorado [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from South Carolina [Mr. MAYBANK], the Senator from Rhode Island [Mr. McGRATH], the Senator from Connecticut [Mr. McMAHON], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], and the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] are necessarily absent.

The Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is detained on official business.

The senior and junior Senators from New Jersey [Mr. SMITH and Mr. HENDRICKSON] are absent because of illness. If present and voting the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Oregon [Mr. MORSE] are detained on official business.

The result was announced—yeas 30, nays 41, as follows:

YEAS—30

Aiken	Hunt	Myers
Byrd	Ives	Neely
Douglas	Johnson, Tex.	Pepper
Dulles	Johnston, S. C.	Saltonstall
Frear	Kerr	Sparkman
Fulbright	Langer	Stennis
George	Lodge	Thomas, Utah
Graham	Lucas	Thye
Green	McFarland	Vandenberg
Hoey	Magnuson	Withers

NAYS—41

Brewster	Gurney	O'Mahoney
Bricker	Hayden	Robertson
Bridges	Hickenlooper	Russell
Butler	Holland	Schoeppel
Cain	Kem	Smith, Maine
Capehart	Kilgore	Taft
Chapman	Knowland	Taylor
Connally	McCarran	Thomas, Okla.
Cordon	McCarthy	Watkins
Donnell	McClellan	Wherry
Eaton	McKellar	Wiley
Ellender	Maione	Williams
Ferguson	Martin	Young
Gillette	Mundt	

NOT VOTING—25

Anderson	Jenner	Morse
Baldwin	Johnson, Colo.	Murray
Chavez	Kefauver	O'Connor
Downey	Long	Reed
Eastland	McGrath	Smith, N. J.
Flanders	McMahon	Tobey
Hendrickson	Maybank	Tydings
Hill	Miller	
Humphrey	Millikin	

So Mr. LUCAS' amendment, as modified, to Mr. McCARRAN's amendment on behalf of the committee, was rejected.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

ANNOUNCEMENT AS TO CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, on Friday last I announced that tomorrow evening we would hold a night session. I have conferred with the minority leader, the Senator from Nebraska [Mr. WHERRY], and other Senators, and, around 7:30 o'clock tomorrow, we will start the call of the calendar, from the beginning. I want Senators to be notified of that fact now, as I know all Senators will want to be present when the calendar is called.

Mr. WHERRY. Mr. President, will the distinguished majority leader emphasize again that the calendar will be called from the beginning, not from the point where we left off on the last call of the calendar?

Mr. LUCAS. The calendar will be called from beginning to end.

The VICE PRESIDENT. Does the Senator, by his announcement, mean that the call is for unobjected-to bills?

Mr. LUCAS. All bills. We are going to start at the beginning and call all bills.

The VICE PRESIDENT. But only bills to which there is no objection; is that correct?

Mr. LUCAS. The Chair is correct.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 40. An act for the relief of William D. Norris;

S. 256. An act to amend the Interstate Commerce Act, as amended;

S. 266. An act modifying a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care;

S. 275. An act for the relief of Arthur C. Jones;

S. 447. An act to amend the Civil Aeronautics Act of 1938, as amended, to regulate

the transportation, packing, marking, and description of explosives and other dangerous articles;

S. 584. An act for the relief of Rudolf A. V. Raff;

S. 811. An act to adjust the effective date of certain awards of pensions and compensations payable by the Veterans' Administration;

S. 897. An act for the relief of William Henry Tickner;

S. 1080. An act for the relief of James A. Gordon;

S. 1266. An act for the relief of Hayward O. Brandon;

S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

S. 1405. An act to provide for the admission to, and the permanent residence in, the United States of Poon Lim;

S. 1429. An act for the relief of Lacey C. Zapf;

S. 1742. An act removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy; and

S. 2010. An act to extend for 1 year the authority of the Administrator of Veterans' Affairs respecting leases and leased property.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 26, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 25 (legislative day of June 2), 1949:

IN THE AIR FORCE

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947:

To be major generals

Brig. Gen. George Robert Kennebeck, 47A, United States Air Force Dental Corps.

Brig. Gen. Harry George Armstrong, 203A, Air Force of the United States (lieutenant colonel, United States Air Force Medical Corps).

Chaplain (Col.) Charles Irving Carpenter, 668A, Air Force of the United States (lieutenant colonel, U. S. Air Force Chaplain).

To be brigadier generals

Col. Michael Gerard Healy, 188A, United States Air Force Medical Corps.

Col. Otis Blaine Schreuder, 198A, United States Air Force Medical Corps.

Col. Robert Frederick Tate, 363A, United States Air Force.

Col. Roger James Browne, 449A, United States Air Force.

Col. Richard Joseph O'Keefe, 566A, United States Air Force.

Col. Dan Clark Ogle, 602A, United States Air Force Medical Corps.

Col. Albert Henry Schwichtenberg, 665A, United States Air Force Medical Corps.

Col. William Henry Powell, Jr., 684A, Air Force of the United States (lieutenant colonel, U. S. Air Force Medical Corps).

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

William L. Albritton, Camden, Ala., in place of H. H. Dale, retired.

Robert C. Salter, Castleberry, Ala., in place of E. H. Carter, transferred.

Mary M. Davis, Chunchula, Ala. Office became Presidential July 1, 1948.

Autry S. King, Eight Mile, Ala., in place of R. L. Williams, resigned.

John P. Gottler, Elberta, Ala., in place of L. Lindorfer, resigned.

Russell S. Campbell, Heflin, Ala., in place of C. L. Wager, removed.

ARKANSAS

William L. Nabors, Donaldson, Ark., in place of J. H. Long, retired.

Roger P. Kile, Grady, Ark., in place of A. J. Clemmons, deceased.

Paul E. Williamson, Jr., Holly Grove, Ark., in place of R. L. Sain, transferred.

Avery A. Kaylor, Lavaca, Ark., in place of E. J. Stroub, declined.

Harold M. Jinks, Piggott, Ark., in place of R. McNeil, resigned.

Anna P. Estary, State College, Ark., in place of N. A. Rogers, removed.

Lois G. Wright, Sweet Home, Ark., in place of E. F. Godfrey, resigned.

CALIFORNIA

Thomas B. Thomson, Azusa, Calif., in place of A. McIntire, resigned.

Monte F. Inskeep, Buena Park, Calif., in place of C. W. Brenner, retired.

Floyd W. Patterson, Coyote, Calif., in place of M. A. Rodoni, retired.

Thomas H. Ellis, Jr., Cutten, Calif., in place of R. W. Mitchell, resigned.

Ruby E. Sportsman, Fellows, Calif., in place of W. A. Filler, resigned.

Clarence L. Batten, Fortuna, Calif., in place of P. W. Hunter, retired.

Cecil E. Bolt, Fowler, Calif., in place of J. W. Winton, deceased.

Ellen I. Fitzgerald, Happy Camp, Calif., in place of V. L. Toleman, resigned.

Earl W. Johnston, Ivanhoe, Calif., in place of W. F. Pritchard, deceased.

Anselmo G. Escobar, Mecca, Calif., in place of A. B. Ruth, resigned.

Angus F. Greene, Muroc, Calif., in place of F. J. Schultz, resigned.

George H. Gaskins, Oleum, Calif., in place of S. Briggs, resigned.

Hamil L. Arthurs, San Marcos, Calif., in place of S. L. Diaz, resigned.

Gilbert Cobarubia, Sloughhouse, Calif. Office became Presidential July 1, 1948.

Edwin O. King, Sonora, Calif., in place of C. E. Ortega, retired.

COLORADO

Alice P. Allison, Eaton, Colo., in place of G. F. Springston, deceased.

CONNECTICUT

John F. Heneghan, Hartford, Conn., in place of E. J. Dillon, deceased.

Margaret S. Barboza, New Hartford, Conn., in place of M. W. Sinnott, retired.

George A. Sharon, Somers, Conn., in place of N. E. Welch, retired.

Arthur H. Buttery, Waterford, Conn., in place of J. J. Burns, retired.

FLORIDA

Julian F. Clifton, Flagler Beach, Fla., in place of C. E. Ranger, retired.

Margaret V. Lindsey, Homosassa Springs, Fla. Office became Presidential July 1, 1948.

George E. Lawrence, Grand Ridge, Fla., in place of I. B. McMillan, removed.

Leland R. Brallier, Lake Butler, Fla., in place of M. G. Langford, resigned.

Jessie L. Justice, Lake Hamilton, Fla., in place of H. D. Hall, deceased.

Harry J. Hopcraft, Mount Dora, Fla., in place of C. C. Dooley, deceased.

Herbert A. Marlowe, Newberry, Fla., in place of E. L. Haddock, resigned.

Joseph W. Padgett, Panama City, Fla., in place of R. R. Morris, resigned.

William D. Thomas, Samoset, Fla. Office became Presidential July 1, 1948.

Charlotte L. Jenkins, Sharpes, Fla. Office became Presidential July 1, 1948.

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 25 (legislative day, JUNE 2), 1949
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz: On page 1, after line 10, insert the following:

- 1 Joint Committee on Foreign Economic Cooperation:
- 2 For salaries and expenses of the Joint Committee on Foreign
- 3 Economic Cooperation, as authorized by Public Law 472,
- 4 Eightieth Congress, as amended by Public Law 47, Eighty-
- 5 first Congress, including per diem and subsistence expenses,
- 6 without regard to the Travel Expense Act of 1949, ap-
- 7 proved June 9, 1949, \$344,000: *Provided*, That this appro-
- 8 priation shall be available from and including July 1, 1949,
- 9 for the purpose provided herein. All obligations incurred

1 during the period between July 1, 1949, and the date of
2 the enactment of this Act in anticipation of such appro-
3 priation are hereby ratified and confirmed if in accordance
4 with the terms hereof.

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCARRAN to
the bill (H. R. 4830) making appropriations
for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

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81ST CONGRESS
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H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 25 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. KNOWLAND to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz: On page 7, between lines 10 and 11, insert the following new paragraph:

1 CHINESE STUDENTS

2 The President is authorized and directed to allocate to
3 the Secretary of State the sum of \$4,000,000 out of any
4 unobligated balance of the amount made available under
5 section 12 of the Act entitled "An Act to amend the Eco-
6 nomic Cooperation Act of 1948", approved April 19, 1949
7 (Public Law 47, Eighty-first Congress), to be used, under
8 such regulations as the Secretary of State may prescribe,
9 for necessary expenses of tuition, subsistence, and return

1 passage to China for selected citizens of China to study in
2 accredited colleges, universities, or other educational institu-
3 tions in the United States approved by the Secretary of State
4 for the purposes of this paragraph; such amount to remain
5 available until expended.

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. KNOWLAND to
the bill (H. R. 4830) making appropriations
for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

JULY 25 (legislative day, JUNE 2), 1949
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81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE SENATE OF THE UNITED STATES

JULY 25 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. KEM (for himself, Mr. WHERRY, and Mr. McCLELLAN) to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

1 On page 14, after line 15, insert the following:

2 “SEC. 202. No part of the appropriations contained in
3 this Act shall be furnished to any participating country, the
4 government or any agency thereof, which shall, after the
5 date of enactment of this Act, acquire or operate, in whole
6 or in part any basic industry thereof, other than industries
7 the acquisition of which has been completed prior to the
8 date of enactment of this Act.”

9 On page 14, line 16, strike out “SEC. 202” and insert
10 in lieu thereof “SEC. 203”.

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENTS

Intended to be proposed by Mr. KEM (for himself, Mr. WERRY, and Mr. McCLELLAN) to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

JULY 25 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

THE NORTH ATLANTIC PACT—EDITORIAL
FROM REGISTER-GUARD, EUGENE,
OREG.

Mr. MORSE. Mr. President, one of the best editorials I have read on the North Atlantic Pact issue was published recently in the Eugene Register-Guard, of Eugene, Oreg., my home town newspaper. It is so completely in line with the issue as I have seen it that I ask unanimous consent to have the entire editorial printed in the body of the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DECISION IS CUE FOR PACT

Nobody can view the North Atlantic Pact—about to be confirmed by the United States Senate—without some misgivings, but we stand with those who feel that it is at least a first step toward implementing democratic policy both in and out of United Nations. In fact, we have been committed to some such course since long before the Atlantic Pact was thought of as such. Since we first agreed to participate in the effort to set up some form of world government, we have been committed to find some means to back up the principles which we have shouted from the housetops.

To all of the arguments that this is not the best possible plan of action we respond that it is at least a plan of action, and we are reminded of the irritable old colonel of artillery who pounced on the earnest young lieutenant who was holding up fire to figure out exactly the best angle to shoot from:

"Damn it all, young man," raved the colonel, the worst plan in the world well executed is a * * * better than the perfect plan never carried out. Get going!"

The North Atlantic Pact does not take us out of United Nations. Properly guided it provides a means by which the allied western nations can cooperate more effectively within United Nations. It meets the Russians with the only arguments which they seem to respect—the readiness to use force. It does not mean that force will be used, but that force can be applied and quickly if aggressions do not stop.

Effective world government is to be desired but it cannot be created overnight. We have our own long and bitter experience in trying to form a Federal union to remind us that any effort to form a world union will be slow and difficult.

Decision is always better than indecision, and if the North Atlantic Pact merely gives the western nations an instrument for decisions it will have a good result.

How far we can afford to go in rearming the nations of western Europe is another problem. There again it stands to reason that we shall have to give them such aid as we can afford while insisting that they must exert themselves to the limit in self-help. Much progress has been made under the Marshall plan for economic aid, despite its many faults. Much progress can be made under the North Atlantic Pact which supplements the Marshall plan with a program of concerted action in the field of politics.

There is no drawing back from the course to which we are dedicated, costly and dangerous as it may be. The most important thing is that the ultimate goal shall not be lost to view and that is some form of world union under which nations can begin to disarm and submit their disputes to decisions of law instead of force.

We cannot achieve these aims by passive policies. We must take risks.

PRICING PRACTICES—MORATORIUM

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, which were, on page 2, line 15, to strike out all after "faith" down to and including "competition" in line 17 and insert "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section"; on page 3, lines 9 and 10, strike out "(other than a discrimination which will substantially lessen competition)" and insert "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)"; on page 3, line 14, after "competitor" insert a comma and "and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains," and on page 4, line 7, strike out "substantial and probative evidence" and insert "reasonable probability."

Mr. McCARRAN. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCARRAN, Mr. O'CONNOR and Mr. WILEY conferees on the part of the Senate.

Mr. LONG subsequently said: Mr. President, I should like to enter a motion to reconsider the vote by which Senate bill 1008 was sent to conference.

It was my understanding, having overheard a conversation between the senior Senator from Nevada [Mr. McCARRAN] and the Senator from Tennessee [Mr. KEFAUVER], that we were to be notified before a motion was made to send that bill to conference. I made a speech on the floor of the Senate and stated that I personally thought it would be in the interest of the small-business people of the country if that bill never went to conference. I thought we were to be notified, and I was on my way to the Senate Chamber at the time the motion was made. I should like at this time to enter a motion to reconsider the vote by which the bill was sent to conference.

The VICE PRESIDENT. The Senator from Louisiana enters a motion to reconsider the vote by which Senate bill 1008 was sent to conference, and invites the attention of the Senator from Nevada [Mr. McCARRAN]. All the Senator from Louisiana can do at this time is enter the motion. It cannot be acted upon at this time.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KEFAUVER. Mr. President, I had understood that we were to be advised when this motion was brought up, in order that we could make a motion to concur in the House amendments. I was present in the Chamber, but there

was so much confusion that I did not hear the motion of the Senator from Nevada. I assumed that we would have an opportunity to present our motion to concur in the House amendments.

Mr. LONG. Mr. President, I will further state that I had been discussing a compromise on this matter with the senior Senator from Wyoming [Mr. O'MAHONEY]. It was his understanding also that no action would be taken until we had had an opportunity to consider the House amendments and to move to concur in them, or possibly agree upon the final form the bill should take.

Mr. KEFAUVER. I had also been in those conferences, and had the same impression. I was very much surprised when I was notified a few minutes ago that the bill had already been sent to conference. I wonder if the distinguished Senator from Nevada would agree to set aside the action of the Senate sending the bill to conference, so as to give us an opportunity to be heard in support of our motion to concur in the House amendments, or at least wait until we can see what we can do in the way of working out a compromise with the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Mr. PEPPER. Mr. President, I should like to associate myself with the requests which previously have been made, and I desire to express the hope that the able and generous Senator from Nevada [Mr. McCARRAN] will comply with the requests. Some of us feel very strongly that the House amendments are desirable, and we should like at least to have an opportunity to be heard before disposition of this matter is made.

Mr. McCARRAN. Mr. President, in order that the Senate may know the history of this proposed legislation, it is well to state that the bill passed the Senate and went to the House of Representatives and was there amended. A message from the House of Representatives with respect to the bill has been here for some time. I shall have to guess, at the moment, about the length of time, but I think it has been here about 3 weeks. If I am in error on that matter, I stand ready to be corrected.

The Senator from Louisiana [Mr. LONG] and the Senator from Tennessee [Mr. KEFAUVER] came to me and asked me that they be notified so that they could be present when any motion on this matter was made. I saw the Senator from Tennessee [Mr. KEFAUVER] on the floor today. I thought the Senator from Louisiana [Mr. LONG] was on the floor. The Senator from Georgia [Mr. RUSSELL] had also expressed a desire to be present when this matter was discussed, and I saw him on the floor. So I made the motion.

The matter had remained undisposed of too long. There has been a great demand from various Senators that something be done about it.

I made the motion which I think I should have made, namely, that the bill go to conference, and I sent to the Chair the names of the suggested conferees.

In justice to the bill and in view of its importance to the country, I cannot consent to any other course.

The VICE PRESIDENT. The motion to reconsider has been entered, and will be taken up later.

Mr. LONG subsequently said: Mr. President, I should like to state for the RECORD that earlier today, when the senior Senator from Nevada [Mr. McCARRAN] moved that the Senate disagree to the House amendments to Senate bill 1008, and to send the bill to conference, that action was in conflict with an agreement he had had with the junior Senator from Tennessee [Mr. KEFAUVER] to which I was a witness and to which the Senator from Georgia [Mr. RUSSELL] also was a witness, to the effect that he would notify us at the time when he was ready to proceed to the consideration of that matter.

It was my feeling that the House amendments were absolutely essential to protect the small-business people of the Nation. I had read in the Journal of Commerce an item to the effect that certain Members of the House of Representatives hoped that in conference they would be able to throw out the House amendments which had the purpose of protecting the small-business men of the Nation.

I wished to discuss that matter when the subject came up. I was discussing it with the distinguished Senator from Wyoming [Mr. O'MAHONEY], when suddenly, completely to my surprise, the senior Senator from Nevada [Mr. McCARRAN], in a low tone of voice, earlier today, moved that the Senate disagree with the amendments of the House, request a conference on that matter with the House, and that the conferees on the part of the Senate be appointed.

It is true that the junior Senator from Tennessee [Mr. KEFAUVER] was on the floor at the time; but he was talking to the distinguished Presiding Officer at the moment, and did not hear the motion. For that matter, several other Senators who are interested in the matter did not hear the motion, either.

It was only after the motion had been agreed to, that I obtained the floor and moved that the Senate reconsider the vote by which the motion was agreed to. I felt that we should have a chance to explain why we felt the House amendments should agreed to by the Senate.

When the senior Senator from Nevada stated that he would notify us when he was ready to proceed with the consideration of this matter, I understood that that meant he would tell us personally, rather than simply rise and make the motion, for of course he knew there was opposition to it.

I should like to state that at the convenience of the majority leader, and without affecting the status of the unfinished business, I shall move that the Senate reconsider the vote by which this bill was sent to conference. At that time I shall ask that a quorum call be had, and following that I shall present my arguments why the motion should be reconsidered and why we should be heard on the question of placing the House amendments in the bill. I think the amendments which have been made by

the House of Representatives should be agreed to by the Senate.

Mr. WHERRY. Mr. President, I was on the floor at the time, and I heard the distinguished Senator from Nevada make the motion that the Senate disagree to the House amendments, request a conference thereon with the House, and that Chair appoint the conferees on the part of the Senate. I do not wish to get into any altercation in regard to any understanding about which I do not know.

Personally, the action which was taken pleased me very much, because the proposed legislation has been hanging fire for 3 or 4 weeks. Regardless of whether Senators favor or oppose the amendments which have been adopted by the House of Representatives, I think all Senators who are interested in the matter should have their day in court, so to speak.

I should like to say to the distinguished Senator from Louisiana that his rights have been fully protected, for the motion to reconsider has been properly filed. Every argument he wishes to make regarding the proposed legislation can now be made. Of course, if some Senator had moved that the motion to reconsider be laid on the table, the Senator from Louisiana would have been cut off without having an opportunity to engage in any debate at all on the subject in which he is interested. However, I am satisfied that all Members of the Senate were considerate of the Senator's position in the matter.

I agree with the Senator from Louisiana that his motion to reconsider is timely. I hope he will bring it up as soon as possible, so that we may finally dispose of the matter, because this measure has been passed by both the Senate and the House of Representatives; and in the final analysis, the question is whether we shall accept the conference report or whether we shall not. The sooner we can obtain a conference report on the bill, the better it will be, I think.

So, Mr. President, I hope there will not be further argument between Senators as to who said what.

Of course I hope the Senator from Louisiana will have an opportunity to present his arguments. But I appeal to him to present his arguments and let this bill be sent to conference, so that we may obtain final action on it.

Mr. LONG. Mr. President, I may say the fact that the House amendments have been before the Senate for 3 weeks was completely at the option of the Senator from Nevada. He could have made a motion at any moment. All we asked was the right to know that he was going to make such a motion, so we could have a chance to be heard. The Senate passed the bill and agreed to the Kefauver amendment, which would have saved the Robinson-Patman Act. I believe that was one of the finest acts ever drawn for the protection of small-business people. When the bill went to the House of Representatives, an effort was made to cut out the Kefauver amendment so as to destroy the Robinson-Patman Act. The House would not agree to it. The House inserted in the bill even stronger language to protect the Robinson-Patman

Act. Here, we see in the Journal of Commerce that this bill is to go to conference, and every effort once again made to take the amendment out of the bill, although both Houses have agreed to it. It would be against the rules to do it. Nevertheless, we read in the press that it is going to be attempted.

FOREIGN AID APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The clerk will state the second committee amendment, which is the pending question.

The LEGISLATIVE CLERK. On page 3, beginning in line 2, it is proposed to strike out "\$1,074,000,000" and insert "\$1,000,000,000."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia, and it was signed by the Vice President.

REPORT BY SENATOR ELLENDER ON HIS VISIT TO WESTERN EUROPE

Mr. ELLENDER. Mr. President, I gave notice yesterday that I would have a few words to say with respect to the trip I recently made to western Europe. As most Senators know, I was selected as adviser to the United States delegation at the second assembly of the World Health Organization, which met at Rome, Italy.

It is not my intention to indulge in too many details of my trip, but I merely wish to make a few observations and suggestions as a result of what I saw and of what I heard people say about the ECA program at work.

Soon after reaching Rome, I obtained permission from the chairman of our delegation to visit various portions of Italy with a view of ascertaining how effectively ECA funds are being used. I made three trips by automobile through Italy, on my own initiative and at my own expense. I went to the south along

the coast as far as Salerno, to the north as far as Florence and returned to Rome by way of Pisa. When I completed my duties as adviser to our delegation, I left Rome for Milan, by way of Ravenna and other important cities in the heart of the Po Valley. These trips carried me through the most important agricultural and industrial sections of Italy and I was able to obtain a very good picture of the situation in that country.

I wish to say that I was agreeably surprised at the change which has taken place in all the countries I visited, in contrast to the conditions which existed there 3 years ago when I visited the same countries. A man would have to be totally blind to fail to note decided improvement. Retail stores were filled with goods and merchandise. Restaurants were well supplied with food. More people were at work. A feeling of assurance was noticeable among the people of most of the countries I visited. I asked many persons, in every walk of life, about the improvement of conditions, during the last 3 years. They were unanimous in saying that there has been considerable progress. Many agreed that although progress had been made there was room for improvement, especially was that sentiment often expressed among the working classes. I found that the cost of goods was extremely high. I visited hotels, restaurants, and many stores, including grocery stores, butcher shops, shoe shops, department stores, and drug stores. I talked to cab drivers, farmers, salesmen, laborers, shop owners, government officials, doctors—in fact, to people in all walks of life. In every country I visited, with the probable exception of England and Holland, I found that the cost of living was totally out of line with the wages paid to the workers. Except in the two countries I have just mentioned, I found that the cost of food and clothing is about the same as it is in the United States. I inquired of the storekeepers how they were progressing, whether their present profits were comparable to those of 3 years ago. Most of them reported some improvement, but complained that as time went on, taxes took a greater share of their profits.

As I moved about Italy, I inquired about the use to which ECA counterpart funds are being put. I found that most of the counterpart funds are being used most appropriately. I visited many irrigation and reclamation projects which are being financed through ECA funds in order to reclaim considerable areas of land on the Volturno and Sele Rivers, and in other sections of Italy. I found that the projects which are being undertaken in Italy with ECA counterpart funds are accomplishing two things. They are giving employment to many men and women who otherwise would be unemployed, and they are creating more cultivable land to help Italy increase her food production, which is most necessary.

Viewing the projects which are being developed in Italy through ECA funds, I was reminded very much of the old WPA days in the United States when, in order to give employment, many people were made to do work by hand. Not far from the Sele River, I noticed as many

as 700 Italians with picks and shovels digging a canal about 30 feet wide and about 10 feet deep, to be used to carry water for irrigation purposes. I asked why machinery was not used. The answer, of course, was that one of the great difficulties confronting Italy is unemployment. I am told that unemployment there has reached a dangerous stage, with over 2,000,000 persons out of work.

My survey of Italy convinces me that there is much food, much clothing, much of everything, but a large percentage of the people have not sufficient money with which to buy the goods they need, for the simple reason that prices are too high. The wages that workmen receive is far out of line with the prices that they must pay for food and clothing.

In my visits to Switzerland, France, Belgium, Holland, and Luxemburg, as well as Germany and England, I found the same pattern; that is, goods are plentiful, both articles of food and articles of wearing apparel, but the prices were so far beyond the reach of the people that they are unable to purchase supplies for their everyday needs. As I indicated a few minutes ago, although prices were high in Holland and Great Britain, the wages paid to workers in those countries were more in line with the cost of living. Aside from that as most Senators know, price control still prevails in those two countries, and it is particularly rigid in England. If it were not for price controls in England, with the shortage of food in that country today, I am sure there would be many people going hungry.

Industry has made tremendous progress in all of the countries I visited, but the movement of finished goods has slowed down considerably in the last few months, from what I have been able to learn. Every industrial owner or operator with whom I talked reported the same trend. The situation has reached such a point that the countries we are now assisting are suffering from the same difficulty we are now experiencing in the United States. As Senators know, many of our industrial plants have slowed down considerably, and unemployment faces us, because many factories have been overproduction to such an extent that they cannot find outlets for all their manufactured products. Industry in western Europe, in my opinion, has reached that point. Manufacturers have reached the point where they cannot move their entire output either at home or abroad. The only difference between us and those countries is, we are able to produce, in almost any category, a finished product much cheaper than they and unless—

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. ELLENDER. I yield.

Mr. CONNALLY. Is that because of the lack of purchasing power among the people, or is it because they do not need the articles?

Mr. ELLENDER. As I have just indicated, it is because most of the people

do not have sufficient money with which to buy the products they need. I talked to many workmen in each of the countries visited, with a view of ascertaining their compensations. A bricklayer or a carpenter in France, or in Belgium or in Luxemburg, receives from \$4.50 to \$5.50 a day for 8 hours' work. His cost of living is as great as that of a carpenter or bricklayer in this country, yet the scale of wages in western Europe is about a third of what it is in America. The goods are available, and they are badly needed by the people, but those who need them do not have sufficient money with which to buy them. With few exceptions, I found that it required from 75 to 85 percent of a wage earner's pay for food alone.

I feel that a good deal of the money we are sending to western Europe is missing the target. That is, it has brought some prosperity and, with it, high prices. It serves no good purpose to create abundance unless the people are able to partake of that abundance. After the war there was a market for all the steel Belgium could produce. There was a market in America for many European products—automobiles from England and wines and fats from Italy. But when we reached full production our cupboards became full and we accumulated a surplus. We can undersell the Europeans, and, consequently, a substantial portion of their market over here has disappeared.

Four years ago we were told that in order to put Great Britain on her feet we would have to lend her almost \$4,000,000,000. We made that loan, and by way of other loans and ECA grants we have made additional billions available to the British. In spite of all this American aid, Great Britain is still in bad shape. I say this not by way of criticism. The facts are based upon actual observation. I grant that my survey was superficial, but after my stay in Italy I spent 3 weeks in making this survey in other countries, at my own expense, in order to ascertain for myself whether the continuation of the spending of ECA funds would do the job unless cooperation was practiced by the countries we are assisting. Perhaps we should strengthen the bill which is now before the Senate so that we shall be able to say to those countries, "Here is a pie cut into 16 pieces. Each piece of pie represents so much money for each of you. If you—England, France, or Belgium—want a piece of the pie, you must conform to certain requirements."

As will be recalled, when the Marshall plan first came before the Senate some of us thought something like that should be done, but the State Department prevailed on us not to do so. The State Department felt that the matter could be worked out to the satisfaction of all. As I see the picture, unless there is a drastic change in the manner in which the ERP nations are now acting toward each other, with particular reference to the exchange of currencies, the Marshall plan is doomed to failure. Convertibility of currency is the most important thing to be done if the Marshall plan is to work successfully. The countries of western Europe must have faith in one

another's currencies, and must use them freely to buy from one another as they did before the war.

Crossing the border from Luxemburg into Belgium I noticed two automobiles with each a Holland license. They had eggs, chickens, and bacon on board. I became suspicious and began to inquire. The drivers said they had to bring along produce of some kind that could be sold readily in order to pay for the gasoline they needed to travel from their country to other countries. I saw the same condition at other borders. In other words, the money issued by the countries whence those persons came could not be used to buy gasoline, a necessity for the everyday flow of commerce, in other countries. I say that in order for the Marshall plan to succeed it is necessary that something be done now—not next year, but now—to make it possible for the countries of western Europe to trade with one another as heretofore.

I received information from several high officials of countries we are now assisting that if it were left to the continental nations of western Europe they would have no difficulty in getting together, but the country which stands in the way—and we are backing it—is Great Britain. There can be no doubt about that. From information received by me from a reliable source, I am convinced there would be no difficulty in solving the problem of their currency and commodity exchanges if it were not for the fact that the United Kingdom interferes and objects to the plan. I suppose the United Kingdom has a good reason to do so. I do not desire to discuss the situation in Great Britain at this time, except to repeat the statement I made on the Senate floor 4 years ago, that I cannot see any hope for the United Kingdom to develop or maintain itself as in the past. It is a serious situation when one nation is permitted to hold back progress in western Europe, as is now the case. I hope the Administrator of this program, who is clothed with full power to do so, will facilitate the interchange of currencies among all of the nations we are assisting.

I wish to emphasize another point which I mentioned a while ago. We have been urged to make enormous advances to our friends across the seas in order to stave off communism. One of the major reasons advanced is that unless we do so we are leaving these countries exposed to the inroads of communism.

I believe that unless the governments of western Europe do something soon to close the deep chasm which exists between the buying power of workers and high costs of the essential goods they need, the very thing we are fighting to prevent will occur. There can be no doubt about that. I visited the homes of many families who spend almost every penny earned by the head of the family for food alone. They have nothing left over with which to purchase wearing apparel and other necessities. Many of them are in rags. Something should be done to correct that situation. How it is to be done, I do not know, but I

should like to see an investigation made by our "watchdog committee." It would be valuable information if the "watchdog committee" could find out how much mark-up is being made by manufacturers, wholesalers, and retailers in those countries. From what I have observed it is excessive. If one goes to a hotel in Paris or anywhere in Belgium, he pays a rate of \$10 a day for a room and in addition, he is charged as much as the traffic will bear in the way of service charges, which range from 10 to 20 percent. I am inclined to believe that similar pricing practices are being indulged in by some of the merchants and businessmen throughout those countries. Unless we encourage these governments to make it possible for workmen to obtain the necessities of life at prices commensurate with the wages they receive the evil forces we are now fighting are bound to prevail.

Mr. KEM. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Louisiana whether in his opinion some of the trouble is not due to the inability of the socialized industries of these countries to produce goods at prices which people can afford to pay.

Mr. ELLENDER. I would not say that, because the condition exists not only in countries which are well along the road to socialism, like Great Britain, but it exists in Belgium, which is not socialized. Luxemburg is not socialized and Holland is not socialized. The same situation which I have described exists in those countries, as it does in others, except as I pointed out a while ago, it is not so apparent in Holland and in Great Britain, for the reason that there are price controls in those countries; wages are more or less frozen at a certain level, and the costs of goods are reduced by means of subsidization.

I should like to point out further to the distinguished Senator that in Great Britain there is a situation, of course, which does not exist in any other country I visited. The Government of Great Britain has absolute and positive control over the output of every factory and every farm in the British Isles. For instance, if a farmer has in excess of 12 chickens, he has to report that fact to a central agency. If the production of eggs is over a certain amount per week, he has to send the excess eggs to the central agency so that they can be sold at a fixed price. A man cannot kill more than one hog per year, regardless of how many he raises on his farm; he must send the excess to a central agency where it is sold at a fixed price. The same conditions prevail as to practically every other commodity.

A person cannot buy in any store any exportable goods that are manufactured in the British Isles, without paying a tax ranging from 33 to 40 percent. The stores are filled with inferior products which the British cannot export. Such articles can be bought at fixed prices, but the exportable products, such as good quality liquor or shoes, carry a prohibitive tax.

One day I went to a store and had the clerk examine the shoes that I am now wearing. I asked him how much I would have to pay in his store for a pair of similar shoes. He examined them and said they would cost about \$22. I told him that I had paid \$18.50 last year for the same shoes in the United States. He said, "You forget that because this shoe is an exportable shoe I have to add a 40-percent tax on it."

Mr. TYDINGS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Maryland.

Mr. TYDINGS. Is it not a fact that there are many articles manufactured in Britain which the British people themselves cannot buy, but which are exclusively for export, so that the British can get dollar balances in order to be able to get the things they must have?

Mr. ELLENDER. That is what I am trying to bring out. There can be no doubt about it. And in order to carry out that program, the British Government has absolute control of the output of every factory and every farm in the British Isles.

Mr. KEM. Mr. President—

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. ELLENDER. I yield.

Mr. KEM. The Senator spoke of the price level on the Continent, particularly in Holland and Belgium, being as high as in the other countries. Is it not true that their economy is so interlocked with the economy of France and Great Britain that they necessarily have the same price levels?

Mr. ELLENDER. I do not think they are that closely connected. For instance, in Luxemburg or in Belgium, or in some of the other countries, a person can buy what he wants if he has the money with which to buy it, without having to pay an excessive tax.

Mr. KEM. But none of those small countries produce more than a small proportion of the goods consumed by the people. Is not that true? They are dependent on the other countries for a large part of their goods, are they not?

Mr. ELLENDER. That is true.

Mr. KEM. Is not the refusal of the Socialist Government of England to agree to an interchange of currencies with the Continental countries the main reason why that cannot be accomplished?

Mr. ELLENDER. There can be no question about that. That is why I believe there would be no difficulty in getting agreements among the countries of western Europe, on the Continent, if it were not for the fact that Great Britain is holding back.

Mr. WHERRY. Mr. President, since the Senator has been interrupted, I should like to ask him a question in regard to what he said about the farms.

Mr. ELLENDER. I shall be glad to answer any question.

Mr. WHERRY. The Senator says England has absolute control over every chicken and every egg, and so on. That is almost comparable to the so-called

Brannan plan of complete control. How does that work out in Great Britain?

Mr. ELLENDER. The farmers do not like the many controls imposed upon them.

Mr. WHERRY. I am serious about the inquiry.

Mr. ELLENDER. I do not wish to compare the conditions in Great Britain with those in the United States should the Brannan plan be enacted.

We have spent a great deal of money in Europe and Great Britain has been the chief beneficiary. The British have received a loan of \$3,750,000,000 from us, a couple of billion dollars more under the Marshall plan, and considerable sums from other sources. With all that assistance Great Britain today is worse off than any of the other countries I visited which are receiving Marshall plan aid.

Mr. CAPEHART. Why is that?

Mr. ELLENDER. Four years ago, and again last year—and I know the senior Senator from Colorado [Mr. JOHNSON], who does me the honor to listen to what I have to say, agrees with me, and I think we voted together on the British loan proposal—

Mr. WHERRY. There are others who agree with the Senator.

Mr. ELLENDER. There were quite a few others. The point I desire to emphasize is, that the United Kingdom has no natural resources of any kind except coal, which is very expensive to mine, and she produces only about 40 percent of her food, and a bare one-seventh of her iron ore requirements. She must import everything else. She must take the imported raw products, manufacture them, and sell them for prices which will give sufficient profit to enable her to buy more of the raw products she needs, and to pay for the 60 percent of food requirements which she does not produce and which are necessary to sustain life in the United Kingdom. England used to be able to do that with the profits she obtained from shipping and from foreign investments, but today most of her income from these sources are gone.

Furthermore, let us not forget that Great Britain today has, I believe, the most antiquated machinery in western Europe. There has been little technological improvement, so that the cost of producing is so great she cannot compete, let us say, with Belgium, which has more or less kept up with improvements in machinery and manufacturing processes. Aside from all that her colonies have grown to manhood and they are looking out for themselves. Some of them have become her chief competitors in many fields.

As I have said on many occasions, and repeat today, I care not how much money we send to Great Britain, all we are going to accomplish is a balancing of her trade balances for the time being, and the moment we cut off the supply of money, she will revert to the condition of deficit financing and sink deeper into debt.

Mr. President, I repeat, we ought to insist, though perhaps not in express terms in the law itself, that the Admin-

istrator make every effort to bring about the free interchange of currency among the ERP nations. As I recall, there is ample authority in the act that would justify such a course on the part of the Administrator. Unless that is done, then in spite of all the money we are going to spend, those nations will not be much better off in 1952 than they are now.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. The Senator from Louisiana stated a few moments ago that the countries of western Europe could arrange currency exchange between themselves if it were not for Great Britain.

Mr. ELLENDER. They could and would do so.

Mr. WHERRY. Why does not Great Britain want to permit that to be done? Why could not a proper currency exchange program be carried out? Why should economic barriers continue to exist? Why can they not be eliminated so all the countries in question can have free exchange between themselves? That is the purpose of ECA.

Mr. ELLENDER. Absolutely.

Mr. WHERRY. Such an objective represented the whole burden of the testimony of Mr. Hoffman. Why does Great Britain not permit that to be done, not only in her interest, but in the interest of all western Europe?

Mr. ELLENDER. I do not have the ECA Act before me, but if the distinguished Senator will read the first section of it he will note that the Administrator has the right to force the issue. I wish to say that from information I obtained from high officials of at least four countries, who as representatives of their countries attended the meetings of the OEEC, if it had not been for the fact that our country intervened and more or less assisted and aided in the compromise which was finally reached, whereby 25 percent of the ECA funds are to be used to bring about convertibility, the other countries of western Europe would have voted almost unanimously to attain the desired goal. I repeat that convertibility of currencies among the western European nations is absolutely necessary if the Marshall plan is to succeed.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. The Senator from Louisiana will recall that in the debate on the ECA authorization renewal, I offered an amendment directing the Administrator to use not less than 5 percent of the funds for just such a purpose, the purpose of bringing about convertibility—economic union, which is convertibility of the currency—and the Senate rejected my amendment, as I recall, by 12 votes. The vote was somewhere in the neighborhood of 32 to 45. By that vote the Senate expressed its disapproval of any such direction to the Administrator.

I agree entirely with the Senator from Louisiana that lack of convertibility is a major defect in policy, and that the Administrator could have brought about

convertibility, but he has not done it, and the Senate refused to tell him to bring it about, which I assume he would interpret as a direction not to engage in any such project. I think the Senator from Louisiana was present when that debate took place.

Mr. ELLENDER. Yes.

Mr. FULBRIGHT. The Senator remembers the proposal that was then made, does he not?

Mr. ELLENDER. Yes. The answer of the State Department was, "Let us handle it. Do not adopt the amendment. We can handle the matter much better if you do not tie our hands." That is the attitude being taken now respecting many of the proposed amendments to the pending bill. Those who oppose such amendments say, "Let us not interfere. Let us permit the administrator to handle the matter. He will do a good job." But this is the second year during which we are making appropriations for ECA, and insofar as I am concerned I shall not vote for another dime after this unless in the meantime the corrections to which I have referred, particularly with respect to currency convertibility, are made.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. The Senator, I believe, will agree that convertibility, standing alone, cannot be brought about unless it involves, in addition, a certain adjustment respecting the fiscal policy, for instance, with relation to their tariffs and quotas. That is a part of the picture of what supports convertibility, of what makes convertibility possible. In bringing that about it would be much more profitable and effective if a part of the ECA fund at least were devoted to that purpose, rather than to the construction of more plants. Does the Senator agree?

Mr. ELLENDER. Not entirely. I do believe that most of the counterpart funds can be used to good advantage in many countries, for instance in Holland and Italy, to develop more land for agricultural purposes, which is absolutely necessary in those countries. Development of industry will not put them on their feet, but development of more land to produce more food will do so.

One can travel through every country on the Continent which produces an appreciable amount of food, and he will not find the suffering which is apparent in Great Britain. One of the great troubles in Great Britain is that she is overpopulated, and I believe she is overindustrialized. In other words, no balance exists in Great Britain between her agriculture and her industry.

I proposed 4 years ago that Britain should use the money we advanced her to move her factories to her colonies from which she obtains raw materials. I believed that if she did that she could make a come-back. Britain could develop South Africa, Australia, and Canada industrially. I am still of the opinion that that represents Great Britain's only salvation. If she continues her present policy she is going to die on the vine and probably bring misery to many other nations.

Mr. FULBRIGHT. Mr. President, will the Senator yield for one further question?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Is not what the Senator means, to put it perhaps in a different way, that these countries must form a union of some kind, we will call it economic union, or federation, if you will, if there is to be any successful solution of their problems?

Mr. ELLENDER. I do not know. I think if such a union were formed—and I assume when the Senator speaks about an economic union he means political union as well—it might be harmful to us. I do not want to get into an argument on that subject. I do not intend to argue the case either for or against. I simply desire, as I stated at the beginning of my remarks, to lay before the Senate some of the facts I obtained during my visit to various countries of western Europe and to give my conclusions based on those facts.

Mr. FULBRIGHT. What the Senator means is that if these countries were made strong and self-sufficient they would be competitive, and therefore hurt us. Is that how the Senator feels?

Mr. ELLENDER. No. I do not think that it would be possible to get all of the countries to join together and form a federation. I doubt if their lot could be much improved. I know that they could not catch up with our method of production and therefore could not compete with us.

Another suggestion I have to make, if the Marshall plan is to succeed, is to bring about a rehabilitation of German industry. I am convinced that is essential to western European recovery. I found indications that France and Great Britain are objecting to the industrial development of Germany, not because they are afraid of such expansion in the event of another war, but because they want to hold Germany back so that they can have for themselves some of the industrial development that was Germany's. In my humble opinion, however, it will not work. The Germans have always been people of vision. They were good industrialists. They are mechanically inclined. They have the know-how. The other European nations are dependent on Germany for much of their machinery and equipment.

In that connection I wish to say that in Italy, in Switzerland, and in fact in almost every country I visited, I was told by some of their manufacturers that it is necessary that German industry be expanded on a peacetime basis if European recovery is to become a reality. Take the case of Italy, for example. Italy formerly sold to Germany its excess olive oil, oranges, grapefruit, and other items which she produced over and above her needs. In turn, Germany would let Italy have the machinery Italy needed. Germany dealt with the Balkans, and from the Balkans Italy got the grain of which she was short. Unless German industry is restored so that Germany can get back into the picture and serve her former customers, we shall have the Germans dependent upon us for a long, long time. We cannot let them starve to

death. We are more or less their guardians. Besides, Germany's economy is so closely interlocked with the other nations of western Europe that it will be necessary, if the Marshall plan is to succeed, to encourage her development.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. Getting back to the colloquy between the Senator from Louisiana and the junior Senator from Nebraska, the Senator from Louisiana said he wanted to call to my attention the policies declared in title I of the original act, where the objectives are set forth. I followed through title I, remembering what the objectives were. I ask the Senator if he does not recall this declaration:

The accomplishment of these objectives calls for a plan of European recovery open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.

That is the declaration to which the Senator was referring.

Mr. ELLENDER. That declaration is the heart of the ECA program; and unless it is put into practice, in my judgment, all the money we have spent and all the money we shall spend in the future will come to nothing.

Mr. WHERRY. I appreciate the report which the distinguished Senator has given. It is most forceful and timely. It is conclusive evidence to those who believe in a "watchdog committee" that it could do the United States and even foreign countries a great deal of good if it were to make the kind of research which the distinguished Senator has made in those countries in the time available to him for that purpose.

In view of the objectives for which ECA aid is given, and the conditions under which it is extended to foreign countries, I ask the Senator, Why is it that Great Britain is not willing to carry out the purposes of the plan? The other countries of western Europe could further do what the Senator says are the objectives of the act, but Great Britain will not let them carry out the purposes of the plan. Does that mean that Great Britain is attempting to dominate the interchange of trade among those countries when she establishes the rates and the conditions under which the exchange is made? Is that what the Senator means? Does he mean that the Administrator is not requiring, as a condition, that Great Britain carry out the objectives of the act? Is he at fault? Has he not carried out the purposes of the act?

I agree with the Senator that unless trade barriers are eliminated, unless there can be a free flow of goods, we shall lose the objective of ECA, and when the money stops flowing to those countries we shall be back where we were in the beginning.

Mr. ELLENDER. And with the United States in a much weaker position.

Mr. WHERRY. Certainly. Unless we can get a free interchange of goods, and

have one dollar do the job for 12 nations which it is doing today for individual nations, I agree with the Senator that the plan must fail. But the Senator has not yet made clear to me why it is that it is not to the advantage of Great Britain to see that economic barriers are eliminated. Why should Great Britain continue to make bilateral agreements, as she is doing today, in direct violation of the objectives of the act? Why does not Great Britain see that point?

Mr. ELLENDER. The difficulty may be that the pattern of industrial development in western Europe has taken such shape that today Great Britain is producing a great many industrial products which are also being produced in France, Belgium, and other countries. She may be afraid that in the interchange she will get the worst of the bargain.

Under all the circumstances, I believe that Mr. Hoffman is failing to carry out the written provisions of the law. High officials of four ERP nations stated to me specifically that they thought the United States was making a big mistake by not insisting that currency exchange be stabilized. They fear that if we continue to disburse funds at the present rate we shall weaken ourselves so that, should the nations of western Europe get into trouble in the future we will not be in a position to assist them.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. Did the Senator hear the remarks which I made when I inserted in the RECORD today an article from the Washington Times-Herald of July 26, containing a report by Bernard Baruch, in which he makes the same findings with respect to the ECA countries?

Mr. ELLENDER. No; I did not.

Mr. WHERRY. Bernard Baruch was returning to America on the *Queen Mary*. This press release was issued on the 25th of July. Mr. Baruch made this statement as reported in the article to which I have referred:

Baruch is convinced that the billions of dollars poured into financially distressed nations have helped neither them nor the interest of the United States taxpayer as much as could be expected.

Does the Senator from Louisiana agree with those conclusions?

Mr. ELLENDER. I do. It goes back to the very thing of which I am speaking.

Mr. WHERRY. The article further stated:

Baruch believes that loans or gifts to western Europe were not sufficiently conditioned upon European nations helping themselves regain their prewar economic stability.

Does the Senator agree with that conclusion?

Mr. ELLENDER. That is what I have said, although in different language. Mr. Baruch has stated it more succinctly and clearly than I, but that is the exact conclusion which I have reached.

Mr. WHERRY. The article further states:

That is his conclusion after spending a month in England, France, Holland, and

Belgium, and conferring with such leaders as Winston Churchill (who in a Saturday night speech accused the Laborite Government of "squandering" nearly \$8,000,000,000 of American and Canadian aid.

I do not wish to inject politics into this question, but does the Senator feel that the Laborite Government must produce at a rate of exchange so high that it destroys the very rehabilitation about which the Senator is speaking within Great Britain, because of lack of ability of the people to buy, and because of the absence of the interchange of goods with countries on the Continent with which Britain must do business if she is to rehabilitate herself?

Mr. ELLENDER. I do not know whether it is due entirely to the Laborite Government, but Britain's economy is founded on a faulty base. As I indicated a while ago, no matter who heads the British Government, whether it be the Conservatives or whether the Laborites, continue to rule, I do not believe that either can make a go of it. She is at too great a disadvantage in a competitive world.

Mr. WHERRY. After his experience, does the Senator feel, in view of the provisions of the act and the objectives which were written into the act, that we are invading the sovereignty of those people by providing conditions under which mutual aid is extended economically and financially to correct the very defects the Senator is discussing today?

Mr. ELLENDER. What I should like to do, of course, would be to put into the law provisions to carry out the suggestions that I have been making.

Mr. WHERRY. Does the Senator mean in the basic act?

Mr. ELLENDER. Yes.

Mr. WHERRY. And not attached to the pending appropriation bill?

Mr. ELLENDER. It could be done in that way, too. The basic law has been enacted and it may be difficult to incorporate the proper language in an appropriation bill. However, I desire to do the next best thing. I should like Congress to make it plain to the European leaders and to the Administrator that we are giving them another chance to carry out this recovery program, and that if they fail to do so, we will attach strings to the next appropriation.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I shall be glad to answer any questions. I do not suppose that Senators would like to have me give them a more detailed account. I thought it best to make general statements as to what I found generally in all countries respecting a particular situation. I shall be glad to try to answer any questions which Senators may desire to ask.

Mr. WILEY. Mr. President, if the distinguished Senator will yield, let me say that I have been very much interested in his remarks. I wish to ask him whether mere generalities to the effect that ECA has not helped, and so forth, get us anywhere.

Mr. ELLENDER. Mr. President, I do not recall having said that ECA has not

helped. I think ECA has helped considerably.

Mr. WILEY. I understand that; but I wish to get from the Senator from Louisiana some concrete suggestions about how to remedy the situation. What we have done with Britain and the countries on the continent of Europe with our aid, is that in large measure we have rebuilt their productivity to the point where now they are in competition not only with themselves, but also with us. The result is that the picture has changed entirely, since VE-day.

Now they are able to feed and clothe themselves with their own productivity; and they have a surplus of commodities. They are facing the same situation which we are facing now with imports into this country.

I understand that the Senator's position is that we should say to the countries of Europe, "Take down your barriers and get your currencies in shape so that you can interchange them." But, Mr. President, we are not doing that here in the United States; we are not accepting the currencies of the European countries.

I think the situation demonstrates the need for a conference on monetary affairs, probably a revaluation of the currencies of all countries, and possibly getting into the economy of all the nations some kind of international currency. But this matter cannot be handled by legislation. We cannot tell Britain to go ahead and tear down a particular trade barrier, when tearing it down would do the same thing to Britain that tearing down the trade barriers with Japan is doing to certain factories in my own State at this time. Several months ago I spoke to the President about the effect on Wisconsin industry and labor of the influx of cheap Japanese goods. I have gotten nowhere up to date. This points up the situation confronting European countries.

It seems to me the situation is more or less chaotic because of overproduction in the world and lack of the instrumentalities by which nations can exchange commodities on one basis or another. Of course, many other factors also enter into the international picture.

But if the Senator's suggestion is that we should say to Britain, "You must tear down these barriers and must arrange with the other nations that you will exchange on a commodity basis," it seems to me that does not get us anywhere.

Mr. ELLENDER. Mr. President, I believe that they should trade with each other as they did before the war, and the ECA Administrator should insist on this as a condition for allocation of funds. Today those countries do not have confidence in one another's currencies—

Mr. WILEY. That is correct.

Mr. ELLENDER. And unless such confidence is restored, all the money we are spending for European aid will be in vain.

Mr. WILEY. The question is, How are we going to restore it? How? Get rid of the barriers, political, economic, and racial.

Mr. ELLENDER. It strikes me that it is going too far to force a man traveling from Denmark to France to bring chickens and eggs along with him in order to be able to obtain gasoline to operate his car.

Mr. WILEY. That does not answer my question, however.

Mr. ELLENDER. If we could restore Great Britain's confidence in the lira—and Italy's confidence in the pound—with Great Britain in very urgent need of Italy's fats and oils—trade could be established. Similarly, Holland could sell considerably more meat. But those countries must limit their purchases from other ERP countries. Before the war, Holland supplied Great Britain with practically all the bacon, ham, and butter that Great Britain needed. But today that commerce has been considerably reduced. As a result, the English people are suffering for lack of meat and the people of Holland are suffering from the lack of purchasers for her goods.

Mr. WILEY. I agree to that, but what is the answer?

Mr. ELLENDER. Unless something is done to restore the conditions which existed before the war, no matter how much money we spend in aid of those countries, in 1952 we shall find ourselves in the same condition in which we find ourselves now, namely, that we shall have to give them more money to balance their trade accounts. But in the meantime we are weakening our own economy to such an extent that, if we keep on doing so, we shall find ourselves on the same level as that of the people we are trying to help. If that ever happens, God pity the world.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILEY. I think the Senator from Louisiana has rendered a distinct service in precipitating this matter into this forum. I think the answer must be found by getting the best brains of the nations together and having them determine the best ways and means to arrive at a solution of these difficulties.

The Senator is not unaware of the fact that much of the money we have furnished—as has been said—was not furnished to Europe at all, but it created jobs and activity in this country, and thus we got rid of much of our surpluses, and created employment.

But now they have caught up. England, with her high prices, is having trouble disposing of her manufactured commodities on the Continent. I may say parenthetically that in 1947, when I was in Europe, I found that one could buy English goods in Holland and Belgium, although such goods could not be purchased in Britain. Britain was tightening her belt and was sending her goods to other countries, in order to import for herself eggs and other food.

Mr. ELLENDER. Let me say that of the countries we are assisting England is the only one in that condition. However, all the other countries are suffer-

ing because of the steps England is taking to maintain her own economy.

Mr. WILEY. Of course, I question the accuracy of the statement that England is, by herself, causing this situation.

Mr. ELLENDER. England is the one that is objecting to the exchange of currencies. I understand that pounds can be used to make purchases outside the sterling-bloc area only under certain conditions which have been prescribed by the British.

Mr. WILEY. But we do not exchange currencies. The real question is how to get on a currency-exchange basis.

Mr. ELLENDER. I am talking about returning western Europe to its prewar condition insofar as the exchange of currencies is concerned. If it had been left to the membership of OEEC, England would have been voted down. But our Government stepped in, and we agreed to the compromise, which made only 25 percent of ECA funds available for convertibility.

Mr. WILEY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. WILEY. I do not hold any particular brief for Britain. Nevertheless, at the same time we were aiding Britain, she gave approximately four hundred million of her own currency to the other countries, in order that they might buy from her.

England has a great sterling bloc. She is trying to sustain her own economic life blood, just as all other nations are. Through fear, overabundance, and, what is more, cutthroat competition in the markets of the world, barriers are being created and the condition indicated by the Senator has arisen.

So we need to have the best brains devoted to a study of this problem, in order to throw light on this picture and enable us to make progress. We must realize that all of us are in the same boat. All of us must do our part. If we fail now to aid the other countries by seeking to get rid of the fears and the barriers, and particularly by getting brains into action, then we may have a greater problem thrown in our laps. It is very easy for us to sit back and criticize the great English people who stood at Dunkerque and who, when the world was looking for rescue, battled alone against the onslaught of Hitler and his gang. They are now battling against an economic war, and the forces are so tremendous that the best economic brains and the best judgment and vision are needed to try to find the way out. To cut off aid, may have the effect of cutting the jugular vein of international trade and international finance, and may bring about international war. What I am looking for is the great constructive suggestion which will give us the result we desire. I thank the Senator very much.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri for a question?

Mr. ELLENDER. I yield.

Mr. KEM. It is sometimes said, in the Senate and elsewhere, that we

should not place any strings on Marshall plan money, because to do so would be an interference with the economies of the participating countries. I ask the Senator whether, in view of his observations and experience abroad, he is in sympathy with that point of view?

Mr. ELLENDER. As the Senator may recall, when the basic law was before the Senate a year ago, some of us tried to attach strings to it; but we lost. The State Department prevailed upon us with the argument that what we tried to do by putting amendments into the law might hurt the program because in the future certain developments might occur whereby the conditions imposed could not be met. What I am suggesting, since the Senate has not taken our advice in the past, is that we proceed to let the participating countries have the money, perhaps with cuts along the lines now suggested, with the warning that unless the conditions are met, we shall, when they come back the next time, incorporate the conditions in the basic law.

Mr. KEM. Mr. President, will the Senator yield for another question?

Mr. ELLENDER. I yield.

Mr. KEM. I should like to ask the Senator whether such a proposal is not entirely consistent with the present law which, in its provisions, places ten classes of restriction upon the use of our money, at the discretion of the Administrator.

Mr. ELLENDER. As I indicated a while ago, it seems to me that someone in the administration is not administering this law as we contemplated. Traveling all over Europe, one will find in every country except Great Britain that the crying need is for stabilization and convertibility of currencies, so that money can be used for the purpose for which it is meant. The only objection comes from Great Britain. I am saying to the Senator again that, unless something is done along that line, all the money we have spent will have been spent in vain.

Mr. O'CONOR. Mr. President, will the Senator yield to me for a question?

Mr. ELLENDER. I am glad to yield.

Mr. O'CONOR. Mr. President, first I should like to compliment very sincerely the able Senator from Louisiana for the wealth of information he has given the Senate, and to commend him for his discernment in the very careful investigation he has made. I ask the Senator, does he not feel, as the result of his studies of conditions abroad, that because of ECA assistance there has been a material improvement of conditions in the various participating countries?

Mr. ELLENDER. There can be no question about that. I so stated in my opening remarks.

Mr. O'CONOR. I listened to the Senator with a great deal of interest. In connection with one of the observations he made, I ask the Senator, particularly whether, in regard to agricultural production, in which the Senator has always been so much interested, he does not feel that as the result of the machinery and fertilizer and other things which were made available to the countries of western Europe under the ECA program, we have stimulated their efforts, and that

very great improvement has been brought about?

Mr. ELLENDER. There is no doubt about that.

Mr. O'CONOR. I should like to ask the Senator a further question, with regard particularly to the conditions in Italy, where I know the Senator visited, because I heard from him when I was in Italy last month, when the Senator called me there. I ask the Senator whether he did not learn that the Italian people apparently have regained very much confidence in their Government, as is illustrated by the fact that capital investments have increased and bank deposits have also increased?

Mr. ELLENDER. There is no question about that, and, as I indicated in the course of my remarks, the fact that I was in Europe 3 years ago and visited the very same countries which I visited on this trip enables me to say Italy has shown the greatest degree of improvement of any of the countries I visited. I attribute that, of course, to the great amount of work which has been put into the recovery program by the Italian people themselves. They are hard workers. They are good farmers, and have made their farms produce considerably more than heretofore. I learned that from the Italians at a number of places. The fertilizer to which the Senator referred has been used to great advantage in increasing agricultural production.

Mr. O'CONOR. I thank the Senator, and I again wish to compliment him upon the wealth of information he has given the Senate.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Massachusetts?

Mr. ELLENDER. I am glad to yield.

Mr. SALTONSTALL. As supplementary, I hope, to the question of the Senator from Maryland, I ask, if there should be a substantial cut or elimination of ECA aid at this time, would it not cause tremendous disruption in what has been accomplished in western Europe, and also give a feeling that our country was not keeping its word in carrying through the Marshall plan?

Mr. ELLENDER. I think there can be no doubt about that. However, I believe cuts can be made along the line recommended by the Appropriations Committee without anybody suffering. I may add, I believe even a further cut could be made, if it were not for the condition existing in Great Britain. That is, a further cut could be absorbed very easily by the countries on the continent, but it would do great harm to Great Britain. Great Britain would be just that much further in debt. Anyone traveling in Great Britain and talking to the people will come to admire their courage. Quite often one of them is heard to remark, "I have suffered. I am suffering now. I should like to have a chicken or a beefsteak or something else for tomorrow." But they are always looking ahead hopefully. They are tightening their belts. They are willing to go ahead in the hope things will get better. But to my way of thinking, the

light of that hope is becoming so dim that if present conditions continue, and if the people are asked to further tighten their belts, they may become resentful and lose faith. I was very much interested in endeavoring to ascertain what effect, if any, the cut in number of calories the British are receiving per day is bearing upon their health. I talked with at least a half dozen doctors. They were in agreement, with one exception, in believing that the British people are today receiving enough to keep them alive, but that is all. So far as giving them health and strength and ambition to go forward if their present food ration is continued without increase, they may be seriously affected in the future. It may get to a point where they will say to themselves, "What is the use?" When that time comes there may be a collapse which will be tragic.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. KEM. I ask the Senator whether he does not believe that the Administrator under the existing law has ample authority to take the steps the Senator is suggesting should be taken? I invite the Senator's attention particularly to section 115 of the original act authorizing the Marshall plan program, wherein, among other things, it is provided:

Such agreement shall provide for the adherence of such country to the purposes of this title, and shall, wherever applicable, make appropriate provision, among others, for * * * (2) taking financial and monetary measures necessary to stabilize the currency, establish or maintain a valid rate of exchange, and to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

Mr. ELLENDER. Certainly. I so stated a few minutes ago, in answer to a question by the Senator from Nebraska [Mr. WHERRY]. I am very hopeful that the Administrator will take heed and act in accordance with the intention of Congress.

Mr. KEM. Just one more question. Does the Senator believe that if he should do so, it would be interfering with the internal economy of the country in question?

Mr. ELLENDER. No; I do not think so.

Mr. KEM. In regulating its currency?

Mr. ELLENDER. No, I do not think so. We can say this to them: "We are willing to assist you. You can have the assistance, provided—"

Mr. KEM. We are placing a condition on the use of the money, which we have a perfect right to do.

Mr. ELLENDER. Yes. The country does not have to take it.

Mr. KEM. Perhaps I failed to make myself clear. Placing a condition on the use of the money is in no sense an interference in the internal economy of the country involved, is it?

Mr. ELLENDER. I should not think so.

Mr. O'CONOR. Mr. President, will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. O'CONOR. May I ask the Senator from Louisiana whether, as a result of his observations as announced, he

does not feel that Mr. Paul Hoffman, Mr. Averell Harriman, and their associates are doing a splendid job in connection with the over-all program?

Mr. ELLENDER. I believe that Mr. Hoffman, as well as Mr. Harriman, are able administrators. They are doing the best they can. Ambassador Dunn—and I am sure the Senator from Maryland will agree with me—is doing a marvelous job in Italy. He is well liked among the Italian people. He takes a good deal of interest in his work, and he does not do his work entirely in Rome. He goes about in Italy and makes every effort to obtain information that will be of assistance to him in discharging his ambassadorial duties. I do not know of anyone who has taken a greater interest or who is exerting himself more than is Mr. Harriman. I repeat, he is a very able administrator.

I believe, if the situation were left to those men, without influence from the State Department, they would do a better job. If it were left to Mr. Harriman, I believe he could whip the British into line. I am quite certain that he realizes the importance of the interchangeability of currencies among the nations we are assisting, if the Marshall plan is to succeed. In other words, he advocated certain terms which were virtually agreed upon by all members of the OEEC, but, somehow, Great Britain was able to influence a change, which, in my opinion, simply "upset the apple cart." If it had been left, I repeat, to the membership of the OEEC, they would have reached a different agreement from that which was actually decided upon in the compromise. I am very hopeful that action will be taken now, rather than to wait until the next time Congress appropriates funds for ECA. When that time comes, unless what I have suggested is accomplished, I fear things will be so bad that little progress will have been made toward full recovery and we might have difficulty in getting Congress to appropriate any money at all.

Mr. O'CONOR. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. O'CONOR. Confining attention to the type of work being done by Mr. Hoffman, Mr. Harriman, and their associates, it was the observation of the junior Senator from Maryland that the European people were very favorably impressed with the type of administration which they were afforded, and which reflected great credit on the United States. Does that statement correspond with the Senator's view?

Mr. ELLENDER. That is correct. I am in complete agreement with the statement of the junior Senator from Maryland.

Mr. HENDRICKSON. Mr. President, will the Senator yield for one further question?

Mr. ELLENDER. I yield.

Mr. HENDRICKSON. I wonder if the Senator will tell us what is the reason for the difference in the progress in Italy and in Great Britain. There is a tremendous difference in progress.

Mr. ELLENDER. I think it may be attributed to two things. Italy produces a great deal more food than does Great

Britain, and she is not so highly industrialized as is Great Britain. She has not the same difficulty in disposing of what she produces. Great Britain is highly industrialized. She has antiquated machinery. Her costs of production are high. She must import practically all of the raw products she needs. Whether it is due altogether to antiquated machinery or to the form of government under which she is now operating, I cannot say.

Mr. HENDRICKSON. I was going to ask if the leadership in both nations had anything to do with the result.

Mr. ELLENDER. I anticipated the Senator's question, that is why I mentioned her form of government. It may be that the high cost of production is due to the many social reforms which are carried on for the benefit of the people of Great Britain—nationalized medicine, pensions, and things of that kind, all of which cost money, for which the manufacturers must pay. It is charged to the cost of producing goods. That, in itself, may be one of the factors causing the high costs of manufacturing in Great Britain.

Mr. HENDRICKSON. Did the Senator observe whether there was a higher degree of socialism in Great Britain than there was in Italy?

Mr. ELLENDER. There is no comparison. So far as that goes, I do not see how it could get much worse in Great Britain, except by the labor government taking in a few more industries. As things are now, the British Government has absolute control over what the manufacturer produces. The manufacturer is not free to sell where he wants to sell, he cannot dispose freely of his merchandise, he cannot sell a bottle of Scotch or a pair of shoes in Great Britain unless a tremendous tax is applied. He has no control, so far as I have been able to ascertain, over the goods he manufactures. The Government has control over every person who produces anything at all. If a person has a little yard, containing more than 12 chickens, he must report the fact to some central authority, and he must dispose of any excess through some central agency. There is so much control that the people of Great Britain, having flown the banner of liberty for so long, are becoming a little tired of the way in which they are being regimented. One can observe it at every turn.

Mr. HENDRICKSON. It is rather surprising, is it not, to find a country, so recently a Fascist country, having more free enterprise than has a democracy such as Great Britain?

Mr. ELLENDER. That may be true. Very few of the industries of Italy are socialized other than public utilities. In some cases I found that a few industries were in the hands of the government. Such a situation resulted from the fact that a government lending agency had loaned money to many industries, and the owners gave up, and the Government took over. I understand that much progress is being made to restore such industries back to private ownership.

Mr. HENDRICKSON. I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, it was my intention when I began this ad-

dress, to present to the Senate a brief summary of conditions as I found them in the western European countries that I visited, and to recommend three major steps to improve the ECA program which I believe, if put into operation, will enhance considerably the possibility that most of these nations will achieve full recovery by 1952. I have discussed these three recommendations during the course of my remarks, and before taking my seat, I desire to repeat them now, for the purpose of emphasis:

First. The ECA Administrator should take steps to bring about immediately the interchangeability of currencies among the western European nations, so that goods may flow more freely across the borders as they did prior to World War II. I found that industrial and agricultural production has reached or exceeded prewar levels in most of the countries I visited, and goods are beginning to pile up in warehouses and stores. Trade between the ERP countries is more or less stagnant, because the nations have no faith in one another's currencies, and because many of them, particularly Great Britain, prefer to sell their products in the dollar areas.

Second. The ECA Administrator should insist that the participating countries take action to reduce the wide gap which exists between workers' income and the cost of food, clothing, and other essential commodities. Goods are plentiful, but the people do not have enough money to pay the high prices that are asked.

Third. German industry should be rehabilitated so that Germany can play its full part in the recovery of western Europe. I am convinced that development of industrial production in Germany on a peacetime basis is essential to a balanced economy in western Europe.

I wish to thank Senators for their interest in my remarks. I am hopeful that more Senators will be afforded the opportunity to visit the countries we are assisting. I am certain that it would redound to the benefit of our people. It would place Senators in better position to vote for or against the huge sums we are appropriating in aid of our friends.

ORDER FOR CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, the reporters have come to me and made a request, which I think is very reasonable. I made the statement yesterday that when we reached the hour of 7:30 tonight we shall immediately start calling the calendar from the beginning. I intend to keep that agreement, of course, but I think we probably should take a recess at 6:30 to enable us to have a bite to eat. The reporters are very anxious to have some sustenance to carry them through the evening. I ask unanimous consent that at 6:30 o'clock the Senate stand in recess until 7:30.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I examined the RECORD this morning. I do not believe there is a unanimous-consent order for the calendar call. Was there a unanimous-

consent request for a call of the calendar at 7:30 this evening?

Mr. LUCAS. There was not.

Mr. WHERRY. I thought not. May I suggest to the Senator, why not make that request now.

Mr. LUCAS. There was merely a general understanding that the calendar would be called at 7:30.

Mr. WHERRY. The statement was made by the majority leader, as I recall. I merely had in mind it will be necessary to have a unanimous-consent request, since we are not in the morning hour. I think the order might be made at this time.

Mr. LUCAS. Mr. President, I ask unanimous consent that, at the hour of 7:30 p. m. tonight the pending business be temporarily laid aside and that the Senate proceed to the call of all unobjected-to bills on the calendar, beginning at the beginning of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. McCARTHY obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

Mr. McCARTHY. I shall be glad to yield for that purpose if I do not lose the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Miller
Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Brewster	Hoey	Mundt
Bricker	Holland	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Johnson, Colo.	O'Connor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kem	Russell
Connally	Kerr	Saunders
Cordon	Knowland	Schoeppel
Donnell	Langer	Smith, Maine
Douglas	Lodge	Sparkman
Dulles	Long	Stennis
Eaton	Lucas	Taft
Ellender	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Flanders	McClellan	Tobey
Frear	McFarland	Tydings
Fulbright	McGrath	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Magnuson	Wiley
Green	Malone	Williams
Gurney	Martin	Withers
Hayden	Maybank	Young

The PRESIDING OFFICER. A quorum is present.

ADDITIONAL CIRCUIT AND DISTRICT JUDGES—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, will the Senator do me the courtesy to yield so I may submit a conference report?

Mr. McCARTHY. I yield.

Mr. McCARRAN. Mr. President, I submit a conference report, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The clerk will read the report.

The report was read.

(For conference report, see House proceedings of July 25, 1949, pp. 10327-10329.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. LUCAS. Mr. President, will the able Senator from Nevada give us a brief explanation of the result of the conference?

Mr. McCARRAN. It will be recalled, Mr. President, that when the Senate acted on the bill one Senate committee amendment to the bill provided for certain qualifications for judges in the District of Columbia. That amendment came from the Committee on the Judiciary. The Senate agreed to the amendment. It, among other amendments, went to conference. The conferees on the part of the Senate receded from that amendment. The conferees on the part of the House receded from every other amendment to the bill the Senate had adopted. That included amendments dealing with judges in southern California, a judge in Oklahoma, and a judge in Kansas. All Senate amendments relating to those judges were acceded to by the conferees on the part of the House. As I said, the conferees on the part of the Senate receded from the Senate amendment providing qualifications for the judges of the District of Columbia.

Mr. KNOWLAND. Mr. President, will the Senator yield for an inquiry?

Mr. McCARRAN. Yes.

Mr. KNOWLAND. Can the Senator inform the Senate whether or not all the conferees on the part of the Senate, both of the majority and the minority, signed the report?

Mr. McCARRAN. The minority conferee on the part of the Senate, the Senator from Michigan [Mr. FERGUSON], did not sign the report. The other conferees signed the report. I might say in that regard that I offered a compromise to the language of qualification adopted by the Senate respecting the judges for the District of Columbia. That compromise was agreed to by the conferees. It was a compromise which would have amended the statute providing for disqualification of a judge under certain conditions. But on further reflection the conferees on the part of the House brought matters to my attention which made me believe we should recede even from that compromise. To that the Senator from Michigan [Mr. FERGUSON] did not agree. That was the only matter on which there was no complete agreement.

Mr. KNOWLAND. I wonder if the Senator would have any objection to letting this matter go over temporarily until I can consult with the minority member of the conferees on the part of the Senate.

Mr. McCARRAN. Certainly not.

Mr. LUCAS. Mr. President, will the Senator yield for one more question?

Mr. McCARRAN. Yes.

Mr. LUCAS. I understand the bill which is now being presented by the conferees follows the language which was

The farmer has a great need for a telephone—more so even than townspeople. He wants it to call on his neighbor in emergency, such as fire. He wants to be able to call a doctor. He needs it to carry on his business, to order parts for a broken machine, to market his crops to best advantage, and for a hundred other business needs. His wife wants to be able to arrange details of a church sociable. His children want to lay plans for a 4-H or Future Farmers project.

Certainly the farmer needs a telephone. He wants it, and he ought to be able to get it. In the past he could not get a telephone because monopoly suppliers could not make money on rural telephone lines, and they were about his only source of service. Now, however, the situation is much different. Now the farmer cannot get a telephone because the Senate Committee on Agriculture has failed to take action on this vital matter, but this will soon be remedied.

The urgent need for action on rural telephones is obvious from the record of the past and the present situation. Briefly and baldly, more farms had telephone service in 1920 than have it in 1949.

As I have indicated, the big companies have been little interested in building farm telephone lines. What has been done has in fact been the result of action by farmers themselves. Back before the First World War farmers organized mutuals and small local independent companies. These provided telephone service after a fashion. Their intentions were laudable. But, by and large, they were under-capitalized. Little or no provision was made for maintenance, none for replacement of worn-out, damaged, or obsolete equipment. Consequently, these struggling little companies had tough going and, especially in the late 1920's, went out of business by the hundreds. Many of those which managed to hang on are providing a service which is only slightly better than none. Many which are now providing fair or good service are in desperate need of new capital for rehabilitating their properties. The sight of broken telephone poles barely kept erect by the wires, or wires tacked to trees and fence posts, is common in rural areas near our towns.

During the war proposals were made for Federal rural telephone programs to correct the obvious shortcomings of the situation. What followed could hardly be explained as a coincidence—the telephone monopoly, as rapidly as it could obtain materials, busied itself building rural lines—that is, if you call suburban areas rural. The monopoly was even busier telling the world, especially the farmers, about their plans and progress. Large advertisements by the Bell system companies in leading farm magazines, a first-class propaganda motion picture, and a proud booklet announcing the millionth rural telephone, were features of this postwar campaign carried on while Congress had before it bills to provide for rural telephone loans.

This was fine as far as it went. But it was not intended to go very far. Farmers know that, despite all the propaganda, they just have not gotten telephones

out in the real farm country where phones are needed most desperately.

More than half the farmers do not have telephones. They have no hope of getting them, except through a national program. This fact has been recognized for a long time, and has never been seriously challenged.

Let us analyze the opposition to the bill. Two groups testified against the bill before the House committee, and two asked the Senate committee for permission to file opposition briefs. These two groups are the Bell System companies and the United States Independent Telephone Association. By and large, they represent big business—the world's greatest private monopoly, and the group of large independent companies which follow the Bell line. Why do they oppose it? Because they do want the American public to have any yardstick other than their own operations by which to judge the efficiency and propriety of their actions.

History repeats itself. Many of us can recall the cries of the power trust back in 1935 when the REA bill was being debated. The phony fears that were expressed then are being revived in these telephone debates. Let us see what they are:

First, it is claimed the rural telephone job is completed. We have heard that one practically every time an REA appropriation bill has come up since 1935. And still there are farmers anxiously waiting for service. The fact is that over 55 percent of the farms are still without telephones of any kind—good or bad.

Second, it is claimed farmers cannot afford telephones. That was another old one long used by the Power Trust and now dug out by the telephone monopoly. The plain fact is: Today's farmer cannot afford to be without a phone—and he knows it.

Of course, many farmers cannot afford service of the kind that is now being offered. Let me read from one of many letters received on this subject:

We have tried to get telephone service here, but have not had any luck. The Bell people will put a pay station at the store if we make them a gift of \$10,700. We can get a 10-party line from Victorville if we advance \$15,000 refunded 10 percent of bills for 10 years and then nothing thereafter. Both a joke.

A joke is right. But who is the butt of it? The farmer.

Third, it is claimed the telephone company is doing its job and will continue until adequate coverage is attained. It is perfectly clear that adequate coverage means little more than cream skimming. Service for everybody is as unlikely to be a part of Bell's future plans as it has been part of their past accomplishment.

Fourth, it is claimed that the rural telephone program we propose will put Government in business and will lead to unnecessary duplication. The bill before the Senate committee does not provide for Government telephones. I want all Senators to know this. It merely provides for low-cost financing so that the companies already in the field, and new companies where necessary, can do the job. Companies that

really want to bring service to farmers but which cannot do so because of lack of capital have nothing to fear. In fact, they will be helped to do their job better under this bill. I want every single independent company throughout America to know that no one attempts to put them out of business. There is no attempt to hamper them in any way. The attempt is to help them.

The telephone monopoly is no piker—even when compared with the Power Trust. The A. T. & T. and its international empire, including the Bell systems, control 98 percent of the long distance telephone lines and about 85 percent of all the facilities for local phone service in this country.

Despite the power of the opposition, however, the telephone trust was soundly beaten in the House. Now it is up to us in the Senate. I for one want to compliment the Senator from Oklahoma for his assurance that the bill will be taken up in time to be voted upon at the present session of Congress.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Gurney	Magnuson
Anderson	Hayden	Maybank
Baldwin	Hendrickson	Millikin
Brewster	Hickenlooper	Morse
Bricker	Hill	Mundt
Bridges	Hoey	Murray
Butler	Holland	Myers
Byrd	Hunt	Neely
Cain	Ives	Pepper
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Sparkman
Downey	Knowland	Stennis
Dulles	Langer	Taft
Ecton	Lodge	Taylor
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Vandenberg
Frear	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gillette	McGrath	Williams
Graham	McKellar	Withers
Green	McMahon	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the second amendment of the committee.

Mr. McKELLAR. Mr. President, I am very happy to understand that we are about to have a vote on this amendment. I should like to have about 3 or 4 minutes to explain it.

Mr. LUCAS. Mr. President, will the Senator yield, to permit me to propound a parliamentary inquiry?

Mr. McKELLAR. Certainly.

Mr. LUCAS. Will the chair please state just where we are in the bill?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, in lines 2 and 3, to strike out "\$1,074,000,000" and insert "\$1,000,000,000." That is the pending question.

Mr. McKELLAR. Mr. President, I wish to explain the amendment to the Senate, if I may. It will take only a short time to do so.

Public Law 47, of the Eighty-first Congress, approved April 19, 1949, authorized an appropriation of \$1,150,000,000 for economic aid to Europe for the period April 3, 1949, through June 30, 1949.

The budget estimate, House Document No. 167, submitted by the President on April 22, 1949, recommended \$1,074,000,000 or \$76,000,000 below the authorization, because of price declines in the United States. The House allowed the estimate in its entirety. In other words, the House agreed to the \$76,000,000 reduction.

ECA was advanced by RFC, pursuant to section 8 (b) of Public Law 47, Eighty-first Congress, the sum of \$1,000,000,000 to be repaid, without interest, from funds appropriated. This billion dollars was obligated in its entirety before the end of fiscal year 1949. The ECA was without authority to obligate, and, of course, did not obligate additional funds prior to the end of the fiscal year.

In view of the conditions—the obligation of the advance of \$1,000,000,000 and the completion of the fiscal year—the committee recommends only \$1,000,000,000 for this period, April 3, 1949, through June 30, 1949. Following announcement of the committee's action in reducing by \$74,000,000 the funds for the final quarter of fiscal year 1949, the ECA announced that it had committed, since July 1, the \$74,000,000 requested for the fourth quarter, fiscal year 1949, inasmuch as "they had been led to believe it would be forthcoming in full," as stated in a newspaper account. ECA officials stated that in their judgment the commitment was authorized by Public Law 154, Eighty-first Congress, making temporary appropriations for the fiscal year 1950, and for other purposes. The Members of the Senate will remember that was the so-called act providing compensation for Government employees while awaiting the passage of the regular appropriation bills. It was a temporary measure to carry things along while awaiting the passage of the regular appropriation bills.

The committee, in recommending only \$1,000,000,000, felt that no authority existed for obligation of the additional \$74,000,000 requested for the final quarter, and so stated in its report on the bill. I discussed the legal question with the Senate legislative counsel, and he has furnished our committee with an opinion, the conclusion of which I should like to read:

Any argument that the obligation of said \$74,000,000 constitutes a moral commitment by the Congress to increase to total appropriation for ECA for the fiscal year 1950 or that the ECA was within its legal rights in obligating said amount and earmarking it against the item contained in the House bill, since they had been led to believe it would be forthcoming in full—as stated in the New York Times, July 13, 1949, by Felix Belair, Jr.—is not warranted either by the specific provisions of law involved or by the legislative history thereof.

I digress here long enough to say that if we appropriate this additional \$74,000,000, we shall be establishing a precedent which the Congress cannot afford

to establish, for the reason that if that were done, at any time when there might be an alleged emergency, if a budget estimate of an appropriation had been presented to the Congress, all any department would have to do would be to say, "This amount has been authorized, and we expect Congress to appropriate it. So we are entitled to obligate it and begin to spend it." Where such a course would lead us, no one can tell. As a believer in our Constitution and our laws and as a member and chairman of the Appropriations Committee, I appeal to the Senate not to set such a precedent.

I read further from the opinion of our legislative counsel:

Public Law 154 did not permit and was not intended to permit agencies of Government to obligate or expend moneys in fiscal 1950 which were tentatively included in an appropriation bill and were in the nature of a deficiency or supplemental appropriation for the fiscal year 1949. The House committee report referred to above indicates that said Public Law was enacted merely to continue the ordinary functions of Government through July 31, 1949.

Of course, all of us know that is absolutely true.

Mr. Rice continues as follows:

An obligation or expenditure of appropriations by an agency of Government during the current month of July, if it is at a rate no higher than that provided for in the fiscal year 1949, is permissible under said Public Law. However, when an agency of Government so obligates moneys during such month, it does so with the clear understanding that said moneys will be deducted from the appropriation eventually made available to it for the fiscal year 1950 and cannot be earmarked as allocable to any particular item of appropriation contained in either the House or Senate version of the appropriation bill as it is not known at the time the obligation or expenditure is made what the final policy of the Congress will be with respect to any particular item of appropriation.

Mr. Rice continued:

It should be pointed out in conclusion that under Public Law 154 ECA was permitted to obligate \$74,000,000 during the month of July, or any other amount within the limitations of said law, but it must be deducted from the total appropriation finally enacted into law for said administration for the current fiscal year. It cannot be said, however, that the Congress is morally committed to increase said appropriation by \$74,000,000 merely because the ECA had recommended and hoped that Congress would finally appropriate the \$74,000,000 item stricken out by the Senate Committee on Appropriations.

Mr. President, that seems to me to be a perfectly clear statement that we cannot appropriate this \$74,000,000. I am appealing to all Senators, irrespective of party, irrespective of design, to stand by the law as it is and as it has been construed by our Legislative Counsel. That is all I have to say. I am merely appealing to the Senate to stand by the law as it has been interpreted by our legislative counsel. I think he is entirely correct. I hope we can now vote on the amendment, and that the amendment may be agreed to.

Mr. VANDENBERG. Mr. President, I join the able Senator from Tennessee in hoping we may have a prompt vote, but I am sure he would be quite willing to

have the other side of this particular issue very briefly presented.

When the debate on this appropriation bill opened—a very long time ago, it seems to me, although we have not paid much attention to it since—I stated I thought the friends of ECA were well advised to accept the reduction recommended by the Appropriations Committee for the fiscal year 1950, so that the arithmetic could go to conference for final consideration. Having made that very substantial concession, in our point of view, I feel particularly entitled to rise in an appeal against the amendment, which represents an additional reduction, which reaches back in effect into the last quarter of the last fiscal year.

Let me see whether we fully understand the situation we confront. In the first place, it is my understanding that there is no record, there is no testimony, there was no hearing in respect to the amendment. If I am wrong about that, I shall be glad to be corrected.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. We had about 1,000 or 1,500 pages of hearings on this and the other 20 amendments to the bill—21 amendments in all, I believe. It was one of the most vigorously contested of all the amendments.

Mr. FERGUSON. Mr. President, if the Senator will yield, I should like to cite to him some of the testimony.

Mr. VANDENBERG. Testimony by whom?

Mr. FERGUSON. By Mr. Hoffman. I hand the record to the Senator, indicating the part to which I refer.

Mr. VANDENBERG. Does the Senator claim that this item had a full hearing before the committee?

Mr. FERGUSON. Oh, no; I would not say a full hearing at all.

Mr. VANDENBERG. I will say not at all. There are a thousand pages dealing with the entire subject, and there may be a few lines dealing with this item. But I submit a study of the record indicates the committee gave no such attention in its hearings to this particular thing as it did to the other problems, to which, I agree, it gave most exhaustive attention. Certainly, Mr. Hoffman, the Administrator, had no opportunity to present to the committee his full case with respect to the amendment. That must be true. If it is not true, again I pause for correction.

Mr. McKELLAR. Mr. President, the Senator does not claim, does he, that Mr. Hoffman had the right to borrow this \$74,000,000 from another department of the Government and then have it given back to him, in addition? In other words, that is committing for expenditure in fiscal year 1949 \$74,000,000 that he does not have. Of course, I do not see what explanation he could make, other than the one he made.

Mr. VANDENBERG. If the Senator will be patient, very briefly, I shall give him the explanation.

Mr. McKELLAR. I should like to hear it.

Mr. VANDENBERG. The point I am making at the moment has nothing to do with the question raised by my very dear friend from Tennessee. At the moment, I am saying the Administrator never had an opportunity to present his case on the record to the Appropriations Committee in respect to this particular amendment. Therefore, the least consideration we can give to the Administrator at the moment is to hear what he has to say about this particular amendment. It is for that purpose, and that purpose alone, that I rise.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield.

Mr. SALTONSTALL. I should like to call the Senator's attention to this testimony by the Administrator, Mr. Hoffman, which caused me, as one of the members of the committee, to feel that no further testimony was expected on this subject. I did not see how we could make the reduction of \$74,000,000. At page 89 of the record of the hearings, these questions were asked, and they happened to be asked by me:

Senator SALTONSTALL. There is the request up to June 30 of \$1,074,083,375. It is now June 8. I assume that that is a factual reality upon which there is no possible reduction.

Mr. HOFFMAN. That is right.

Senator SALTONSTALL. So that a total reduction, if any, must come out of the \$3,568,000,000; is that correct?

Mr. HOFFMAN. That is correct; yes, sir.

Then there was further testimony. So, as one member of the committee, I assumed from that statement there was no possible reduction of \$74,000,000 in that amount, as it was either all spent or all contracted for. Subsequent testimony, or subsequent consultation with Mr. Hoffman, gave me, as one member of the committee, a very strong impression that that money was all contracted for or agreed upon, and that therefore, if we did make any reduction in the amount, it would have to be carried forward and taken out of the amount for the fiscal year 1950; and if we did that, that was in substance a reduction in addition to any other reduction we made after June 30, 1950.

Mr. VANDENBERG. I thank the Senator for his statement. He is dealing with the merits of the matter to which I am about to advert. There is in the hearings that incidental reference to the subject, but I assert the hearings are void of any substantial discussion of this particular amendment so far as any opportunity was afforded to the Administrator when it actually came to an issue, to present his side of the case; and that is what I now propose to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. VANDENBERG. I yield.

Mr. SALTONSTALL. I merely say to the Senator from Michigan, there was no further testimony in the hearings so far as I know except that statement of fact.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes, indeed.

Mr. McKELLAR. I merely want to say to the Senator, this is money to be appropriated by way of a deficiency for 1949, as a matter of fact. The Appropriations Committee would be glad to hear Mr. Hoffman if he has anything to present to the committee in the future. At any time he wants to come, our doors are open. But it ought not to be in this bill. If we should set the precedent that the head of a department can borrow money from another department and commit it for expenditures, any time he likes, it would be a very great mistake on the part of the Senate, I would say, and of the Congress.

Mr. VANDENBERG. Will the Senator allow me to present the case?

Mr. McKELLAR. Yes; certainly. I apologize for interrupting the Senator. I shall not interrupt him any further.

Mr. VANDENBERG. The Senator never needs to apologize to me.

Mr. McKELLAR. I want to apologize to the Senator.

Mr. VANDENBERG. I desire to present Mr. Hoffman's point of view, because I think it is sound and it justifies the defeat of this amendment.

From his letter to me of July 12, which was made generally public at the time, for the purpose of disseminating the information involved, I read, starting on page 3. This deals with the pending amendment.

The third action of the Senate committee which worries me is the reduction of the appropriation requested for the fourth quarter of fiscal 1949 by \$74,000,000. By this I do not mean to imply that the other reductions cause me no concern. My views on this score have been stated many times, but this particular item is especially serious. As in the case of the other two actions on which I have commented—

Referring to some other amendments—

no question about the \$74,000,000 was raised during the hearings at which I testified. Since April 3 of this year, due to the fact that it has not been possible for the Congress to pass an appropriation bill for the ECA before the appropriation for the first 12 months ran out, we have faced great difficulties.

That is quite obvious, Mr. President. Let us remember that the Administrator of ECA has had no basic bill upon which to proceed for nearly 4 months. I continue reading from Mr. Hoffman's letter:

The authorizing legislation gave us a Reconstruction Finance Corporation advance for the fourth quarter of \$1,000,000,000. With this we had to proceed as best we could in administering the program for which, as has been testified, it is important for us to commit funds 4 to 5 months in advance of the time when shipments should be made. We have not, of course, committed anything in excess of the \$1,000,000,000 made available to us.

He means, with any final commitment.

Nevertheless, we have had to plan in advance—

Obviously, that was so—

or permit the participating countries to indicate to us the items which they would procure if and when the money should become available. This has made it possible to do a great deal of the time-consuming paper work in advance so we would be able to move promptly upon receipt of the ap-

propriation. Our request for funds for fiscal 1950 has been based on the assumption that the \$74,000,000 which the Senate committee has cut off would be available in that period for commitment or expenditure. I should point out in this connection that the actions of the House Appropriations Subcommittee, the full House Appropriations Committee, and the House itself all contain provision for \$1,074,000,000 for the fourth quarter of the fiscal year 1949.

That would not justify Mr. Hoffman in concluding he had total and final authority, but that at least justifies him in thinking that the completion of this process in the House of Representatives, where bills of this character originate, did entitle him to think, I submit, when the House of Representatives had confirmed his belief, that he did have this appropriation for the last quarter to be made subsequently available to him, and was justified in starting to use it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I shall be very glad to yield to the Senator from Arizona.

Mr. HAYDEN. It was exactly for that reason that I voted in the committee in favor of allowing the \$74,000,000. When the Bureau of the Budget estimated \$74,000,000, and when the House of Representatives took the same action, it seemed to me that Mr. Hoffman was fully justified in making his plans and advising those with whom he was connected that it was expected that the money would be made available. It is for that reason that I voted for it.

Mr. VANDENBERG. I thank the Senator from Arizona for his statement. It represents the type of fair-play thinking which I would expect from him under the circumstances.

Here is a situation in which the final legislative process upon which Administrator Hoffman had finally to depend was held up at this end of the line, far into the new fiscal year. He had to use his own best judgment within the guidance of the landmarks available to him in making his plans. If he looked anywhere for landmarks upon which he had a reasonable right to place some degree of reliance, he certainly found them in the agreement of the subcommittee of the House Appropriations Committee, the agreement of the House Appropriations Committee, and the agreement of the House itself. He did not have the judgment of the Senate, and he could not have had it, because it has not even yet been rendered; and I wonder how much longer this week it will take to render it.

Let me continue with Mr. Hoffman's statement. He has just stated that he felt he had a right to put some degree of reliance upon the action of the House of Representatives. I continue to read:

It was on the basis of these actions that we made our tentative allotments for the fourth quarter for fiscal year 1949, even though we have been careful not to finalize the \$74,000,000 over and above the \$1,000,000,000 RFC advance contained in the authorizing legislation.

He still stays strictly within the law, but he has to plan on some basis. He cannot suspend operations merely because we suspend operations in the Senate in respect to legislation. He had to have a basis upon which to proceed, and

I submit he took a basis upon which he had a right to put reasonable reliance. I continue reading:

When, however, Congress passed House Joint Resolution 284 June 30, 1949, making additional funds available for expenditure in the month of July, we felt justified in making allotment of the \$74,000,000 firm to the countries to which tentative allocations have been made from this sum. It will be evident that the \$74,000,000 has already been committed, and to withdraw it now would create the most serious complications.

Mr. President, in a word, while everything the Senator from Tennessee says about the legalisms of the situation may be true, yet I submit that the Administrator, required to sail this course without chart or compass during these past few weeks, during the last quarter of the last year when he took his chart from the House Appropriations Committee and his compass from the House itself took the only chart and compass he could possibly find upon which he had any right whatever to rely. It does rest within the authority of the Senate to penalize his operations in the next fiscal year, as a result, if the Senate pleases, but I submit, in view of the fact that we who are particularly partial to the ECA enterprise, when we accept the cuts proposed by the committee for the fiscal year 1950 as a basis for conference consideration, are entitled to emphasize our appeal that this ex post facto action shall not further penalize the essential administration of this great affair.

Mr. LUCAS. Mr. President, in addition to what the distinguished Senator from Michigan has said, I desire to call the attention of the Senate to House Joint Resolution 284, now Public Law 154, Eighty-first Congress, which was approved June 30, 1949. This is one of the continuing resolutions which we pass which in my opinion directly affects what we are discussing.

In paragraph (b) it is provided:

There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to permit departments, agencies, corporations, or other organizational units in any branch of the Government to carry out projects or activities for which funds were provided by Congress for the fiscal year 1949, and for which a budget estimate for the fiscal year 1950 was transmitted to the Congress prior to July 1, 1949, but for which no provision is contained in any bill pending in Congress on July 1, 1949, at the rate provided for under any corresponding appropriation for the fiscal year 1949 or the budget estimate for 1950, whichever is smaller;

Mr. President, in the examination of what the ECA did with respect to the fourth quarter of 1949, and in obligating themselves to the tune of \$74,000,000, we find that the ECA complied exactly with the conditions and terms of this continuing resolution. In other words, they did not exceed the rates as required by the resolution. They kept within the limitation in obligating this additional amount of \$74,000,000.

Mr. President, I merely make that statement in answer to the legal argument which has been made by the distinguished Senator from Tennessee, be-

cause at the particular time when this action was taken it was necessary for the Senate not only to do what was done for the ECA, but for many other agencies of the Government which were out on a limb when no appropriations were made for them before the end of the fiscal year.

Mr. BRIDGES. Mr. President, I wish to point out to the distinguished Senator from Illinois that in this particular case the continuing resolution to which he refers I believe had to do with the moneys for the departments and agencies for the month of July, and not for any time in the fiscal year ending June 30, 1949. I think he perhaps misinterpreted it. He may say that it implies that, but I think legally it affects only the month of July, for the 1950 appropriation.

Mr. McKELLAR. Mr. President, it seems to me the Senator from New Hampshire is entirely correct, and I should like to ask a question. Is the Senate to recognize the validity of the argument that because an agency requests and the House allows funds, this body must grant the request? Why should money be appropriated for a period already passed? We are appropriating for 1950. If we set this precedent, we will be saying that the head of any department can obligate any fund he desires; and the movement will proceed very fast as soon as it is started.

Mr. President, I hope the Senate will not take this step. I earnestly and prayerfully ask the Senate not to take the step. If it does, it will come back to plague us from this time on.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. Will the able Senator kindly state the period involved? Is it the last quarter of the fiscal year 1949?

Mr. McKELLAR. That is correct, and the letter from Mr. Hoffman which has been read was dated July 12, as I recall, which does not apply.

Mr. PEPPER. Will the Senator yield for a further question?

Mr. McKELLAR. I yield the floor. I am anxious to get a vote. It was charged a moment ago that we were going very slowly. I hope the Senate will act promptly now so that it cannot be said we are going slowly. I have been sitting here 2 days trying my best to get a vote. We have gotten a vote on one amendment, and I hope we will get a vote on all the amendments as soon as possible.

Mr. PEPPER. Mr. President, will the Senator also kindly advise us what amount of money was actually appropriated for the fourth quarter? If Mr. Hoffman had spent only the amount of money that was actually appropriated by the Congress, what funds would have been available to him for the fourth quarter?

Mr. McKELLAR. He has the tidy little sum of a billion dollars for the fourth quarter.

Mr. PEPPER. For the fourth quarter?

Mr. McKELLAR. For the fourth quarter.

Mr. PEPPER. And is it the Senator's contention that he should have spent only a billion dollars?

Mr. McKELLAR. Yes. We have a law on the statute books to the effect that the heads of agencies must not obligate funds unless they have them, and must not spend funds unless they have them.

Mr. FERGUSON. Mr. President, I realize that the Senate is very anxious to take a vote on the amendment, but I wish to say a few words about it.

On April 19, 1949, there was approved an act, Public Law 47 of the Eighty-first Congress, in anticipation of the fact that the ECA Director would not have money from an appropriation to carry on at least a part of the fourth quarter of 1949. In section 114 of the act this wording is found:

Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 793, 80th Cong.), shall be made pursuant to subsection (c) of this section the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$1,000,000,000 to carry out the provisions of this title, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

Mr. President, that is the matter that is before the Senate today. In effect, it is a reimbursement of that billion dollars, and we find in the appropriation bill as it came from the House not only the billion dollars, but we find \$74,000,000 in addition.

The bill came from the House about May 23, 1949. It was indicated on page 3 of the bill that the House had inserted \$1,074,000,000, and the Senate committee changed that to \$1,000,000,000, and struck out language which the House had inserted in the bill. After the provision for the \$1,074,000,000, there was in the bill this language which is now stricken out—

of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

That language was stricken out. So it would indicate that the House at least had intended to reduce the figure of \$1,074,000,000 by \$125,000 for what might be called confidential information.

Mr. President, the question arises as to the right of the Administrator to expend these funds, or even to commit them. I shall not dispute the facts which the Administrator set forth in the letter written by him to my distinguished colleague on July 12, 1949. I think it is well that we have all the facts before us, because the hearings do not contain sufficient evidence. But at the time of the voting and also during the discussion by the committee, the committee had before it certain facts, and the committee reduced the amount by \$74,000,000.

Mr. President, being the Senator who made the motion to reduce the total amount of the appropriation, let me say that it was the intent of the junior Senator from Michigan that the amount of \$74,000,000 should be reduced from the total amount the Administrator would have to use in 1950 as well as from the amount set forth in the bill.

Mr. President, I wish to read from Mr. Hoffman's letter and to comment on the evidence before the Senate at this time. It will be noted that Mr. Hoffman was not laboring under any misapprehension about the amount of money he had for the last quarter of 1949. I read the act that allowed him to borrow \$1,000,000,000 from the RFC. That indicated that the Senate and the House had authorized the expenditure of \$1,000,000,000 in the fourth quarter. Mr. Hoffman in his letter said:

Since April 3 of this year, due to the fact that it has not been possible for Congress to pass an appropriation bill for the ECA before the appropriation for the first 12 months ran out—

That is true, because we had to pass the authorization of \$1,000,000,000 under the act which I have read. I continue to read from Mr. Hoffman's letter.

We have faced great difficulties. The authorizing legislation gave us a Reconstruction Finance Corporation advance for the fourth quarter of \$1,000,000,000. With this we had to proceed as best we could in administering the program for which, as has been testified, it is important for us to commit funds four or five months in advance of the time when shipments should be made.

The next line in the letter is very significant:

We have not, of course, committed anything in excess of \$1,000,000,000 made available to us.

In other words, the Congress authorized \$1,000,000,000, and Mr. Hoffman saw fit to be very certain that he did not commit in excess of that amount, even though the situation was difficult, even though he was laboring under the stress of needing more money, for he said:

We have not, of course, committed anything in excess of the \$1,000,000,000 made available to us.

All the Senate is asking today is that the ECA use only the \$1,000,000,000 authorized.

Mr. President, I say in all frankness, as I see the situation—and I have no quarrel with anyone who sees it differently from the junior Senator from Michigan—that the Congress authorized \$1,000,000,000. Mr. Hoffman was able to secure the cash from the Reconstruction Finance Corporation. He spent the \$1,000,000,000, and he is now asking Congress to appropriate, in the bill now before us, mark you, not in a deficiency bill, not in a subsequent bill, to cover the particular amount of \$74,000,000—no, he is asking Congress to appropriate the money in this bill, which is an appropriation for 1950. For what is the sum appropriated to be used? It is to be used to reimburse the Reconstruction Finance Corporation for \$1,000,000,000.

Mr. President, we provided in the previous legislation giving Mr. Hoffman through the RFC, the full billion dollars that he should not pay any interest on it, so that when he paid it back he should pay back only \$1,000,000,000. If the bill goes through as it came from the committee, Mr. Hoffman, that is the ECA, can repay \$1,000,000,000, to the Reconstruction Finance Corporation.

But what he is asking the committee to do, and what he is asking the Senate to do, is to add onto it another \$74,000,000 which he did not use during the fourth quarter. He did not commit it during the fourth quarter, because neither he nor anyone else knew that we would not pass this bill prior to July 1. Therefore he could not have committed it, and he said he did not commit \$1 more than the \$1,000,000,000.

Mr. Hoffman can spend this money in July during the fiscal year 1950, but I say in all fairness that all the subcommittee of the Senate Appropriations Committee proposed to ask him to do was to take it out of the appropriation for 1950. That is all the Senate subcommittee really asked him to do. But he now says to the Senate and to the House, "You passed a bill in July indicating to me that I could use this \$74,000,000."

Mr. President, I do not think we did any such thing. I say to the Senate in all fairness that if we pass the bill under such a legal interpretation we may live to be plagued by many an expenditure under so-called temporary arrangements.

Let me read why that temporary law was passed. It is known as Public Law No. 154 of the Eighty-first Congress. I read from a memorandum prepared by the legislative counsel:

Public Law 154 appropriated such amounts as may be necessary to permit departments and agencies for which appropriations would be made available for use or application in the fiscal year 1950 by any appropriate act (such act not being law on July 1, 1949), to carry out their projects or activities until the approval of the applicable appropriation act, to the extent and in the manner which would be provided for in the appropriations granted by such act.

Now it is clear from such language that the appropriation finally made in any such subsequent act, that is the act we have before us now, would be the controlling amount for the fiscal year 1950.

I continue to read from the memorandum:

That language of said public act was modified, however, by a proviso—which states that—

"In any case where an item is included in an appropriation act which has been passed by only one House * * * for a project or activity for which funds were provided by Congress for the fiscal year 1949, such project or activity shall be carried on under the appropriation * * * granted by the one House but in no event at a rate higher than that provided for the fiscal year 1949."

Mr. President, a fair interpretation of this act was that it was nothing more nor less than a provision to take care of

temporary expenditures during the month of July, in the fiscal year 1950, not for 1949. We authorized \$1,000,000,000. We are paying it back by an appropriation of \$1,000,000,000 in this bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CAPEHART. Has the Administrator already spent the \$74,000,000?

Mr. FERGUSON. I can only tell the Senator what he has said in his letter. I regret the fact that the record was not complete, so that an examination could be made. I think the testimony before the committee in the record which I showed to my distinguished colleague was very strong in favor of the Administrator, because it seemed to be undisputed.

The Senator from Indiana asks whether the Administrator has already spent the \$74,000,000. This is the answer, from the letter of Mr. Hoffman to my colleague [Mr. VANDENBERG]:

Nevertheless, we have had to plan in advance and commit the participating countries to indicate to us the items they would procure if and when the money should become available. This has made it possible to do a great deal of the time-consuming paper work in advance so that we would be able to move promptly on receipt of the appropriation. Our request for funds for fiscal year 1950 has been based on the assumption that the \$74,000,000 which the Senate committee has cut off would be available.

Let me comment there—

Mr. CAPEHART. Has he committed the \$74,000,000?

Mr. FERGUSON. This is what he says:

I should point out in this connection that the actions of the House Appropriations Subcommittee, the full House Appropriations Committee, and the House itself all contain provision for \$1,074,000,000 for the fourth quarter of the fiscal year 1949. It was on the basis of these actions that we made our tentative allotments for the fourth quarter of fiscal 1949, even though we have been careful not to finalize the \$74,000,000 over and above the \$1,000,000,000 RFC advance contained in the authorizing legislation.

There is the answer, I take it, to the Senator's question.

Mr. CAPEHART. Mr. President, will the Senator yield for another question?

Mr. FERGUSON. I yield.

Mr. CAPEHART. If we are to understand from that letter that he has committed himself to spend the \$74,000,000, and the Senate votes to reduce the amount by \$74,000,000, is it possible that he will be able to make good on the commitment of \$74,000,000 out of the balance of the 1950 appropriation?

Mr. FERGUSON. There is no doubt about it, because the limitations in the bill would permit him to use the \$74,000,000, and no harm would be done.

Mr. CAPEHART. Then the net result, if we reduce this amount by \$74,000,000, is that he will have \$74,000,000 less to spend over-all in 1950.

Mr. FERGUSON. The answer to that question is that that is the whole case. He has \$74,000,000 less for 1950.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. Does the Senator from Michigan agree with me that the basis of the appropriations recommended by the committee for 1950 was a 10-percent reduction? GARIOA was cut 10 percent. Greek-Turkish aid was cut 10 percent, and the ECA appropriations were cut 10 percent. So if the \$74,000,000 is not appropriated now, but goes over, as the Senator has just stated to the Senator from Indiana, the \$74,000,000 will be an additional cut over and above the 10 percent, which was not figured upon by the committee at the time. Is that correct?

Mr. FERGUSON. It further reduces the appropriation by \$74,000,000 in addition to the 10 percent; but I do not agree that it was not figured in by the committee. The committee knew that it was cutting off 10 percent plus \$74,000,000—not only plus the \$74,000,000, but the \$150,000,000 which was given as a fund for loans, plus another \$50,000,000 to Spain, which represented a reduction. So the committee was perfectly conscious of what it was doing. It was not only cutting the appropriation 10 percent, but it cut it \$74,000,000 more. It cut it \$150,000,000 more, which amount was placed in a fund for loans, and it cut it another \$50,000,000 to give aid to Spain. So the Appropriations Committee knew what it was doing.

Mr. THYE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. THYE. In the event the appropriation is reduced by \$74,000,000, we are going to compel the administrator of the ECA program to post-date all his activities; and in the last quarter of the fiscal year 1950 he is not going to have money to do business.

Mr. FERGUSON. Oh, no.

Mr. THYE. We are going to compel him to post-date all his activities in every quarter from here on out.

Mr. FERGUSON. There is no such idea.

Mr. THYE. There is no other answer.

Mr. FERGUSON. In the first month of his activity he has \$3,568,470,000. The idea that he will wind up the last few days of the fiscal year 1950 without any money has no foundation whatever. He can spend this money in 1 month, or he can spend it in 11 months. He knows that he has the money to spend over the next 12 months.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. ROBERTSON. When our committee had under consideration this amendment we had before us the statement which the Senator has just read, to the effect that the Administrator had made a tentative allotment of the \$74,000,000.

Mr. FERGUSON. Yes.

Mr. ROBERTSON. It was argued in the committee that he had not spent it, and we would stop it before he could spend it. But we now know that he has committed it beyond recovery, and if we cut it out now, we cut it out of the total

amount which he has for the fiscal year. It cannot be argued otherwise.

Mr. FERGUSON. The Senator from Michigan is not arguing otherwise.

Mr. ROBERTSON. The Senator stated that he thought our committee took that point into consideration when it adopted this amendment. We did not. Our committee said, "We can stop it now, before he spends it."

Mr. FERGUSON. I do not know what was in the mind of the Senator from Virginia.

Mr. ROBERTSON. I know what the facts are. It makes no difference what the Senator from Virginia had in mind.

Mr. FERGUSON. The Senator from Michigan knows what he had in his mind.

Mr. ROBERTSON. Mr. President, I know what was presented before the committee, because I sat there and fought the proposal all the way through. I know that it was argued that the Administrator had not definitely committed himself to the expenditure of the \$74,000,000, and that we could adopt this amendment and stop it. But that is not what Mr. Hoffman tells me is the fact. He has definitely committed this amount.

Mr. FERGUSON. Let me ask the Senator when the Administrator actually committed it beyond recovery? On July 12, when he wrote my distinguished colleague, he had only tentatively committed it. Will the Senator tell us on what date this bill was reported from the committee?

Mr. ROBERTSON. I cannot give the Senator the date.

Mr. FERGUSON. I ask the able chairman of the committee the date when the bill was reported.

Mr. ROBERTSON. Mr. Hoffman told me recently that he had definitely committed it. He says that in a program of this kind he cannot tread water and mark time. He must go ahead. He could not stop the program, so the tentative commitments were made permanent commitments. That is the only point I am trying to make at this time.

Mr. FERGUSON. What I am trying to do as a member of the Appropriations Committee is to give the Senate the facts as I see them. I think we would be establishing a policy which would be inadvisable if we were to allow the use of money which had not been appropriated, particularly when we appropriated \$1,000,000,000, and the Administrator must get the money from a certain source, and we later make an appropriation to cover the expenditure of \$74,000,000 which was never authorized.

Mr. McKELLAR. I think the bill was reported to the Senate on July 12.

Mr. FERGUSON. Very well. So, Mr. President, on the very day when Mr. Hoffman wrote the letter, the bill was sent to the floor of the Senate from the committee. Therefore, on the day when the committee voted, which would be the day before that, the \$74,000,000 was not actually committed, according to his own letter.

Mr. ROBERTSON. Did the Senator read the letter stating that should we continue the appropriations for these agencies through July, each agency could

spend what was authorized in the lowest bill then pending; and the lowest bill then pending was the House bill, and Mr. Hoffman spent according to the House bill. So why should the Senator now argue that Mr. Hoffman spent more than was authorized?

I do not object if the Senator from Michigan argues that the total amount should be cut \$74,000,000. That is his privilege. But if he believes that, he should say so.

Mr. FERGUSON. That is what I am arguing. I am arguing for a cut of 10 percent, plus a cut of \$74,000,000, for the 1950 appropriation.

Mr. WHERRY. Mr. President, will the Senator yield to permit me to propound an inquiry of the majority leader?

Mr. FERGUSON. I yield.

Mr. WHERRY. Does the distinguished majority leader intend to have a vote taken now?

Mr. LUCAS. I should like to have the vote taken now.

Mr. FERGUSON. Mr. President, I yield the floor.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 3, in lines 2 and 3, being the second committee amendment.

Mr. McKELLAR. Mr. President, on this question I ask for the yeas and nays. The yeas and nays were ordered.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. Will the Chair restate the question upon which we are about to vote?

The VICE PRESIDENT. The question is on agreeing to the committee amendment at the top of page 3, which reduces by \$74,000,000 the appropriation there set forth.

Mr. FERGUSON. A "yea" vote would be for \$1,000,000,000 for this purpose, and a "nay" vote would be for an appropriation of \$1,074,000,000. Is that correct?

The VICE PRESIDENT. Not necessarily. A "nay" vote would be a vote against this committee amendment.

Mr. FERGUSON. In other words, a "nay" vote would be a vote against the proposal to reduce this item to \$1,000,000. Is that correct?

The VICE PRESIDENT. It is.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. A "yea" vote will sustain the committee in its amendment. Is that correct?

The VICE PRESIDENT. A "yea" vote, of course, is a vote in favor of the committee amendment. A "nay" vote is a vote against the committee amendment.

On this question the yeas and nays have been requested and ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS] the Sen-

ator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Minnesota [Mr. HUMPHREY] are absent on public business.

I announce further that if present and voting, the Senator from Maryland [Mr. TYDINGS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. JENNER] and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness, and is paired with the Senator from Pennsylvania [Mr. MARTIN], who is absent on official business. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Pennsylvania would vote "yea."

The Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY], are detained on official business.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The result was announced—yeas 37, nays 41, as follows:

YEAS—37

Baldwin	Frear	Mundt
Brewster	George	Russell
Bricker	Gillette	Schoeppel
Bridges	Johnson, Colo.	Smith, Maine
Butler	Johnston, S. C.	Stennis
Byrd	Kerr	Taft
Cain	Langer	Taylor
Capehart	Long	Watkins
Cordon	McCarran	Wherry
Donnell	McClellan	Williams
Eaton	McKellar	Young
Ellender	Maybank	
Ferguson	Millikin	

NAYS—41

Alken	Hill	Magnuson
Anderson	Hoey	Morse
Chapman	Holland	Murray
Connally	Hunt	Myers
Douglas	Ives	Neely
Downey	Johnson, Tex.	Pepper
Dulles	Kerr	Robertson
Fulbright	Kilgore	Saltonstall
Graham	Knowland	Sparkman
Green	Lodge	Thomas, Utah
Gurney	Lucas	Thye
Hayden	McFarland	Vandenberg
Hendrickson	McGrath	Withers
Hickenlooper	McMahon	

NOT VOTING—18

Chavez	McCarthy	Reed
Eastland	Malone	Smith, N. J.
Flanders	Martin	Thomas, Okla.
Humphrey	Miller	Tobey
Jenner	O'Connor	Tydings
Kefauver	O'Mahoney	Wiley

So the committee amendment was rejected.

Mr. LUCAS. Mr. President, I move to reconsider the vote by which the amendment was just rejected.

Mr. KNOWLAND. Mr. President, I move to lay the motion to reconsider on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

RECESS

Mr. LUCAS. Mr. President, before the vote was taken on the amendment, we

had agreed to take a recess until 7:30. But in view of the fact that we have run over about 15 or 20 minutes, I ask unanimous consent that the Senate stand in recess until 8 o'clock p. m.

The VICE PRESIDENT. Without objection, it is so ordered, and the Senate will stand in recess until 8 o'clock.

Thereupon (at 6 o'clock and 43 minutes p. m.) the Senate took a recess until 8 o'clock p. m.

On the expiration of the recess, the Senate reassembled.

EVENING SESSION

The PRESIDING OFFICER (Mr. HOEY in the chair). Under the order previously made, the Senate will proceed to a call of the calendar beginning with Order of Business No. 2, the first bill on the calendar.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, before we start the call of the calendar, I move that the Senate proceed for the moment to consider executive business. There are one or two nominations on the calendar which we would like to have confirmed, to which I understand there are no objections.

Mr. WHERRY. Does the Senator refer to the nominations on the second page of the calendar?

Mr. LUCAS. Yes. We will not consider the nominations of Mr. Butterworth, Mr. Briggs or Mr. Davis, but will consider the nominations on page 2 of the calendar.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Edward Burns Parker to be United States attorney for the middle district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Joseph P. Regan to be United States marshal for the district of Kansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be immediately notified of the confirmations.

CALL OF THE ROLL

Mr. WHERRY. Mr. President, I was wondering about having a quorum called.

Mr. LUCAS. I was about to do that. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Capehart	Eaton
Anderson	Chapman	Ellender
Baldwin	Chavez	Ferguson
Brewster	Connally	Frear
Bricker	Cordon	Fulbright
Bridges	Donnell	George
Butler	Douglas	Graham
Byrd	Downey	Green
Cain	Dulles	Gurney

Hayden	Long	Pepper
Hendrickson	Lucas	Russell
Hickenlooper	McCarran	Saltonstall
Hill	McCarthy	Schoeppel
Hoey	McClellan	Smith, Maine
Holland	McFarland	Stennis
Hunt	McGrath	Taft
Ives	McKellar	Taylor
Johnson, Colo.	McMahon	Thomas, Utah
Johnson, Tex.	Magnuson	Thye
Johnston, S. C.	Maybank	Tobey
Kefauver	Millikin	Vandenberg
Kerr	Morse	Watkins
Kilgore	Mundt	Wherry
Knowland	Murray	Williams
Langer	Myers	Young
Lodge	O'Connor	
	O'Mahoney	

The PRESIDING OFFICER. A quorum is present.

THE CALENDAR

Mr. LUCAS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to.

The PRESIDING OFFICER. The call of the calendar will begin with Order of Business No. 2, the first bill on the calendar. The Chair calls the attention of the Senate to the 5-minute rule, and in view of the fact that there are more than 200 bills on the calendar, the Chair thinks that the Senate had better adhere to the rule.

Mr. LUCAS. Mr. President, I agree with the distinguished occupant of the Chair, in view of the fact that we are getting started a little late. I hope we may have order during the call of the calendar, because it is very important, and we may be here for some time.

BILLS PASSED OVER

The bill (S. 130) to provide for the demonstration of public-library service in areas without such service or with inadequate library facilities, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 206) relating to the immigration status of the lawful wives and children of the Chinese-treaty merchants, was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 45) to amend section 60 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, was announced as next in order.

Mr. WHERRY. Over.

Mr. MCCARRAN. Mr. President, will the Senator from Nebraska kindly withhold the objection until I make a very brief explanation?

Mr. WHERRY. I am glad to withhold the objection.

Mr. MCCARRAN. We have a long calendar to consider, and this is not the time to engage in lengthy debate on any particular bill.

Mr. President, business in America wants this bill enacted, the banking industry wants it enacted, the American Bar Association wants it enacted.

I call the attention of Senators to the long list of other proponents of the bill, as referred to in the report, and I sub-

mit the matter to the judgment of the Senate. If the bill be now objected to, let it go over until such time as it can be called up for debate and be made the unfinished business.

I hope that if the Senator from Nebraska is not serious in his objection, he may see fit not to press it.

Mr. WHERRY. Mr. President, I objected in behalf of another Senator, but I think the objection has been removed, so I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 60 of an act, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended by the act of June 22, 1938 (52 Stat. 840, 869), is hereby amended by striking out all of subdivision (a) of said section and substituting in lieu thereof the following:

"(a) (1) A preference is a transfer, as defined in this act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within 4 months before the filing by or against him of the original petition initiating a proceeding under this act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class: *Provided, however,* That this section shall have no application to proceedings under chapter IX of this act.

"(2) For the purposes of subdivisions (a) and (b) of this section, and subject to the provisions of paragraph (3), a transfer shall be deemed to have been made or suffered at the time when it became so far perfected that no creditor obtaining under applicable law by legal or equitable proceedings on a simple contract a lien on such property, without a special priority (whether or not such a creditor exists), could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein, and if such transfer is not so perfected prior to the filing of the original petition initiating a proceeding under this act, it shall be deemed to have been made immediately before the filing of such original petition: *Provided, however,* That where real property is transferred for or on account of an antecedent debt, the transfer shall be deemed to have been made at the time when it became so far perfected that no bona fide purchaser from the debtor could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein.

"(3) A transfer, wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer, unless the applicable law requires the transfer to be perfected by recording, delivery, or otherwise, in order that no creditor described in paragraph (2) could acquire, after such perfection, any rights in the property so transferred superior to the rights of the transferee therein. A transfer to secure a future loan, if such loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration. If any requirement specified in this paragraph (3) exists,

the time of the transfer shall be determined by the following rules:

"I. Where (A) the applicable law specifies a stated period of time of not more than 30 days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than 30 days, and compliance therewith is had within 30 days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

"II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the original petition initiating a proceeding under this act, such transfer shall be deemed to have been made or suffered immediately before the filing of such original petition."

BILLS PASSED OVER

The bill (S. 196) for the relief of James G. Smyth was announced as next in order.

Mr. WHERRY. Mr. President, I shall have to object temporarily to this bill, with the idea that it may be taken up again.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

The bill (S. 45) for the relief of the owners and operators of certain gold mines which were closed or the operations of which were curtailed by War Production Board Limitation Order L-208, was announced as next in order.

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 110) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between colleges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor, was announced as next in order.

Mr. DONNELL. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

INCREASE OF SALARIES OF CERTAIN EXECUTIVE OFFICERS

The bill (S. 498) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, was announced as next in order.

Mr. WILLIAMS. Over.

Mr. LUCAS. Mr. President, while I know that it is impossible to consider this bill tonight, however, before the Senate adjourns, this bill or a similar bill which has been passed by the House and is now being considered, I under-

stand, by the committee headed by the distinguished Senator from South Carolina [Mr. JOHNSTON] will be taken up in due course.

Mr. JOHNSTON of South Carolina. Mr. President, the bill which came over from the House was referred to the Committee on Post Office and Civil Service in order that the committee might study it to see if we could agree to the House bill, or adhere to the House bill as nearly as possible, and pass upon the House bill in order to expedite final passage.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 25) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. LUCAS. Mr. President, that is another measure on the calendar which the majority is very desirous of taking up before final adjournment.

COUNSEL FOR IMPOVERISHED DEFENDANTS IN THE DISTRICT OF COLUMBIA—BILL RECOMMITTED

The bill (S. 1124) to provide for the appointment and compensation of counsel to impoverished defendants in criminal cases in the United States District Court for the District of Columbia, was announced as next in order.

Mr. JOHNSTON of South Carolina. Over.

Mr. McGRATH. Mr. President, will the Senator withhold his objection?

Mr. JOHNSTON of South Carolina. I withhold my objection.

Mr. McGRATH. Mr. President, I ask unanimous consent that the bill may be recommitted to the Committee on the District of Columbia, inasmuch as Calendar No. 178, Senate bill 734, covers the same subject, but applies to all the United States district courts, which, of course, includes the United States District Court for the District of Columbia. So I ask unanimous consent that Senate bill 1124 be recommitted to the Committee on the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COUNSEL FOR IMPOVERISHED DEFENDANTS IN UNITED STATES DISTRICT COURTS

The bill (S. 734) to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

PROHIBITION OF PARKING ON PROPERTY USED FOR POSTAL PURPOSES—BILL PASSED OVER

The bill (H. R. 2660) to prohibit the parking of vehicles upon any property owned by the United States for postal purposes was announced as next in order.

Report No. 18—Federal-State relations and Federal research.

Initially, we would like to emphasize the importance of the following principles underlying the reports, particularly report No. 1: (1) a direct line of responsibility from the head of an agency down through the organization, and direct responsibility of the agency head to the President; (2) the necessity of providing the agency head with authority commensurate with his responsibility, including authority to delegate authority and establish, within broad limits, the most effective internal organization; (3) the necessity of freedom from unduly detailed and rigid statutes and regulations controlling administrative procedures; (4) the necessity of consolidating presently overlapping and duplicative functions of different agencies of the executive branch.

Turning, with this background comment, to the specific recommendations of report No. 1, we have found many of them to have more particular application to the regular executive departments than to a new and relatively specialized agency such as the Atomic Energy Commission. For example, there is no independent statutory authority which has been granted to any of the divisions within the AEC, and there are no interruptions in the line of authority from the Commission and General Manager down through the agency. The Atomic Energy Act establishes four divisions and specifies that these divisions shall exercise such of the Commission's powers as the Commission may determine. Additional divisions have been created by the Commission to meet its needs. Recently, a new Division of Reactor Development has been established to meet the requirements of a new program.

A major recommendation of the first report is that agencies be regrouped and consolidated, as nearly as possible by purpose and function, into about one-third the present number, in order to reduce the unworkable number of agencies which divide their responsibilities and report independently to the President. We believe that the special nature of the responsibilities of AEC make it proper that it continue to report directly to the President. Moreover, the Atomic Energy Act specifically sets forth certain functions of the President in relation to the Atomic Energy Commission. The members of the Commission and the General Manager are appointed by the President, by and with the advice and consent of the Senate, and the President designates one member as chairman of the Commission. The act provides that the President shall be the ultimate arbiter in the event that the Military Establishment concludes that any action—proposed action—or failure to act of the Commission, in matters relating to military applications is adverse to the responsibilities of the military. The President determines at least once a year the quantities of fissionable material to be produced by the Commission. The President's approval is required before the Commission determines material other than uranium and thorium to be "source material"; also, the President has specific authority with respect to the production of atomic bombs, atomic-bomb parts, or other military weapons utilizing fissionable materials, and with respect to the transfer of fissionable materials or weapons from the Commission to the armed forces. He may also authorize the armed forces to manufacture or acquire equipment and devices utilizing fissionable material or atomic energy as a military weapon. Other sections of the act provide for reports to the President, the transfer of property to the Commission by the President, and the exemption of the Commission by the President from certain provisions of law relating to contracts.

Serious duplications by the Atomic Energy Commission of the functions of other agen-

cies appear to be unlikely, in view of the unique functions of the AEC, and the exclusive authority of the Commission to carry out most of the purposes named in the Atomic Energy Act.

Although it is not entirely clear from the reports, we assume it is not the intention of the reports to reduce the present multi-headed commissions and agencies such as AEC to a single head. The present five-man Commission and General Manager, serving as the chief administrative and executive officer of AEC, appear to constitute an organization consistent with the objectives of report No. 1.

With regard to legislation, we note that S. 942 and H. R. 2613 provide a highly desirable clarification of responsibility and authority within the executive branch. While many of their provisions appear to be covered by the authority of the President under the Reorganization Act of 1949, these bills, if enacted, would provide a well-defined background for both reorganization and future administration of the executive branch. Our understanding is that the "staff assistants" who would be appointed by the agency head, as provided by section 203 (b) of S. 942 and H. R. 2613, would not include the principal executive officer of an agency, such as our General Manager, who is appointed by the President, by and with the advice and consent of the Senate. This conclusion is supported by the description of such assistants by function contained in section 205.

We believe that the recommendations and philosophy of Report No. 2 on Personnel Management hold great possibilities for improving and strengthening a merit system in the executive branch, and for enhancing the effectiveness of the Civil Service Commission to this end. The proposals of both the majority and minority views in the report seem to us workable, and would represent a marked improvement over the present general pattern of personnel administration. The AEC inaugurated a new personnel policy on January 9, 1949, which endorses, through application, the philosophy and basic recommendations of Report No. 2 by placing the responsibility for good personnel management primarily on operating officials.

We are in full agreement with the recommendations of Report No. 3 of the Commission on Organization to consolidate and coordinate the housekeeping functions of government. Certainly the Federal Property and Administrative Services Act of 1949 embodies a very complete adoption of these proposals, and should eliminate particularly the former confusions and delays attendant on procurement and property disposal through divers agencies.

The Atomic Energy Commission is in general agreement with the procedural recommendations in Report No. 7 on Budgeting and Accounting. Three of the recommendations in that report would make significant contributions to the solution of important problems in the fiscal area. They are recommendation No. 1, which calls for the establishment of a performance budget, recommendation No. 2, which calls for an immediate and complete survey by the Congress of the appropriation structures, and recommendation No. 12, which endorses certain recommendations of the task force report on accounting. The Atomic Energy Commission has already placed in effect in its budget and accounting system practices similar to those recommended.

Benefits which should be obtained from their adoption, however, have been seriously limited by the complicated appropriations structure under which the AEC at present operates. The AEC has, therefore, after consultation with the Bureau of the Budget and the General Accounting Office, recommended to the House and Senate Appropriations

Committees in connection with its 1950 appropriation a merger with that appropriation of all prior fiscal year appropriations to the Commission. This merger of appropriations would enable the Atomic Energy Commission to prepare its budgets and account to the Congress for its expenditures on a sound program and cost-accounting basis rather than in terms of annual appropriations. We are hopeful that this merger of funds, which has been recommended by the Senate Appropriations Committee, will be adopted by the Congress.

In connection with recommendation number 10 of Report No. 7 calling for an Accountant General in the Treasury Department who would prescribe general accounting methods, we would like to express our satisfaction with the close and helpful cooperation we have received from the General Accounting Office. Moreover, we see considerable benefit in continuing the present joint program of the General Accounting Office, the Treasury Department, and the Bureau of the Budget to examine and overhaul the Government's accounting practices. We believe that substantial results have been achieved thus far by this joint program.

In connection with that part of Report No. 18 of the Commission on Organization dealing with Federal-State relations, we are in agreement with recommendation No. 5, calling for the creation of a continuing agency to study and furnish information and guidance on Federal-State relations. Problems that arise in this area out of AEC operations include the question of payment in lieu of taxes to local governments, the problem of financial aid to local school facilities bearing the burden of enrollment of children of AEC project employees, and law enforcement on project sites. The Atomic Energy Commission could benefit greatly from a study of these problems on a Government-wide basis.

Our final comment pertains to that part of Report No. 18 concerned with Federal research activities. In this field there is the possibility that work sponsored or financed by AEC might well duplicate similar work undertaken by other agencies. Consequently, we heartily concur in the recommendations of the research section of Report No. 18 that the President be granted authority to coordinate research and to strengthen interdepartmental committee organization for this purpose, and that a National Science Foundation be established. Enactment of the former recommendation seems to us essential to the planning of a long-range, coordinated Federal research program. The latter recommendation, the establishment of a National Science Foundation, would be a recognition of the importance of science to government, and would rescue Government-conducted or sponsored research from the position of stepchild, which it presently occupies in numerous agencies.

We will be glad to prepare any further information you may wish from us.

We have not been advised by the Bureau of the Budget as to its views on the reports of the Commission on Organization or related legislation.

Sincerely yours,

UNITED STATES ATOMIC ENERGY
COMMISSION,
DAVID E. LILIENTHAL.

NOMINATION OF GEORGIA LUSK TO WAR CLAIMS COMMISSION

Mrs. SMITH of Maine. Mr. President, I want to commend the nomination of Mrs. Georgia Lusk by the President to be a member of the War Claims Commission. The President could have made no finer appointment. He could have made no appointment which would be truly a recognition of the excellent public service that women can and have given.

Georgia Lusk is a symbol of conscientious and capable service in the Federal Government. It was my privilege to serve with her in the House of Representatives and I know first-hand of her splendid character and of her outstanding ability as a Federal legislator. I am equally confident that she can match her legislative performance with as excellent service in the executive department.

The women of America can well be proud of Georgia Lusk. They can be sure that her service will reflect the greatest credit upon them and will increase public confidence in the ability of women to perform important public service.

FOREIGN AID APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The Secretary will state the next committee amendment.

The next amendment was, on page 3, line 3, after the numerals, to strike out the comma and the words "of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified."

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the word "exchange", to strike out "\$3,568,470,000" and insert "\$3,628,380,000."

The amendment was agreed to.

The next amendment was, on page 4, line 4, after the words "of which", to insert "(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing, and (2)."

Mr. LUCAS. Mr. President, this is an amendment which was offered in executive session in the Committee on Appropriations, so I am informed. I am advised that there were no hearings on this amendment. I make the point of order against the amendment that it is legislation upon an appropriation bill. It is my understanding that notice was given on July 12 by the Senator from Arkansas [Mr. McCLELLAN] of a motion to suspend the rule. He thereby recognized the fact that it is legislation upon an appropriation bill.

The VICE PRESIDENT. Unless Senators wish to argue the point of order, the Chair is prepared to rule.

Mr. McCLELLAN. Mr. President, it is true that I filed the required notice under the rule, because I could not definitely know how the Chair might rule if the point of order were raised against

this amendment. However, I invite the attention of the Chair that this is an amendment to a legislative provision in the bill as the bill came over from the House.

Immediately following this language is the following language: "not to exceed \$500,000." And the Senate committee has changed the amount to \$200,000 "shall be available for expenditures of a confidential character."

Mr. President, this is a limitation. It is a restriction on the use of funds, and therefore it is just as much legislation as is the limitation or restriction which I would place upon the use of funds by this amendment. This is an amendment of a legislative provision, and I insist that the amendment is germane to the provision of the bill which it amends.

Mr. LUCAS. Mr. President, in reply, I may say I am not discussing the question of germaneness; I am discussing what seems to me to be very clear and plain. There can be no question about the language, which says:

(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing.

Clearly that is legislation upon an appropriation bill. The books are full of precedents to the effect that on an appropriation bill of this kind legislation cannot be added. I am certain that the point of order should be sustained.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. Would the point of order, if sustained at this point, send the bill back to committee?

The VICE PRESIDENT. It would not.

Mr. McCLELLAN. If the point of order is sustained, will a further point of order be in order against the whole bill?

The VICE PRESIDENT. Under the rule which was read yesterday, if any Senator makes a point of order against the whole bill on the ground that it contains legislative matter in violation of the rule, if the point of order is sustained the bill must go back to the committee. However, the point of order must be made against the entire bill, and not against any individual amendment.

Mr. McCLELLAN. That is the point I wished to have made clear. The whole bill is full of legislation; and if I may not have the opportunity to add further legislation, since it is more of a legislative bill than an appropriation bill, notwithstanding the amount in it—

Mr. CORDON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CORDON. I suggest that the language in question is in effect, if not in the usual terminology of a limitation, a

limitation upon the expenditure of so much of the appropriated funds as may be measured by the amount of agricultural commodities indicated in the language, and nothing more.

Mr. McCLELLAN. Mr. President, that was my interpretation of the amendment. It is a limitation on an appropriation bill, and not legislation. But if the Chair holds that it is legislation, then I raise the question, first, of germaneness, because it is an amendment to a legislative provision of the bill, and I think if it is germane to that provision, it is properly in the bill.

The VICE PRESIDENT. Under the rule, ordinarily when a point of order is made against an amendment on the ground that it is not germane to the provisions of the bill, that question must be submitted to the Senate for decision. In this case the Senator who is sponsoring the amendment in opposition to the point of order is making the point that it is germane. While that presents the question in a little different form, the Chair feels that probably the proper interpretation of the spirit of the rule would require submission to the Senate of the question of germaneness.

On the question of whether or not the amendment is legislation, the Chair feels that under the precedents a limitation is in a sense a prohibition against the expenditure of certain parts of an appropriation. This amendment is a requirement that out of a general lump sum appropriation a certain amount shall be expended for definite purposes. Under the precedents that is legislation on an appropriation bill, because it changes existing law, the existing law being the ECA authority under which this appropriation is made. However, the question of germaneness must be submitted first, before the Chair passes on the other question. It may be unnecessary to pass on the other question, depending upon how the Senate decides the question of germaneness of this amendment. That question must be decided without debate.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Assuming that the amendment is germane, in view of the ruling just made by the distinguished Vice President, that would not prevent the Chair from holding that it is still out of order because it is legislation upon an appropriation bill.

The VICE PRESIDENT. If it is germane to a legislative provision already in the bill, and the Senate should so decide, that would preclude any ruling on the question as to whether or not it is legislation.

The question now is, Is the amendment germane to the provisions of the bill to which it is attached? That question must be decided without debate.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays.

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Miller
Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Brewster	Hoey	Mundt
Bricker	Holland	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Jenner	O'Connor
Cain	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Connally	Kefauver	Russell
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Downey	Langer	Sparkman
Dulles	Lodge	Stennis
Eaton	Long	Taft
Ellender	Lucas	Thomas, Okla.
Ferguson	McCarran	Thomas, Utah
Flanders	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McGrath	Tydings
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Graham	Magnuson	Wherry
Green	Martin	Wiley
Gurney	Maybank	Williams
Hayden		Young

The VICE PRESIDENT. A quorum is present.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I correct in my understanding that insofar as the language contained in line 4 on page 4 of the bill is concerned, the question now before the Senate is whether that language is germane to the bill?

The VICE PRESIDENT. The question is whether it is germane to the provision of the bill to which it is added—not germane to the whole bill, but the part of the bill to which it is an amendment.

Mr. LUCAS. I understand that question is not debatable.

The VICE PRESIDENT. That is the rule.

Mr. LUCAS. Mr. President, I ask unanimous consent that it may be debated.

The VICE PRESIDENT. Is there objection?

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Does the request of the Senator from Illinois contemplate that the rule prohibiting debate on this matter shall be waived as to all Members of the Senate?

Mr. LUCAS. That is correct.

The VICE PRESIDENT. The Chair would so interpret the request.

Mr. RUSSELL. I wondered whether the Senator from Illinois requested unanimous consent that he debate it or that the whole rule be suspended.

The VICE PRESIDENT. The Chair understood that the request was that the question of germaneness be debated by the Senate.

Mr. RUSSELL. Then I have no objection.

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arkansas will state it.

Mr. McCLELLAN. If unanimous consent is granted for debate on this question, may the debate be had on the entire bill, or would the debate have to be restricted to this one issue?

The VICE PRESIDENT. The Chair would think that if the question of the germaneness of this one amendment is to be submitted for debate, the debate would be limited to that one issue.

Mr. McCLELLAN. That is what I wished to determine.

Mr. President, I desire to submit another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. Would a discussion or debate explaining the amendment and what it does be regarded as proper under the proposed unanimous-consent agreement, in order to determine the germaneness of the amendment?

The VICE PRESIDENT. Let the Chair state that when a parliamentary question is raised, which is to be passed on by the Chair, it is within the discretion of the Chair to decide whether he will listen to debate on the question; but the debate must be confined to the point of order on which the Chair is passing.

In this case the Senate has to pass on the question of germaneness, which is a parliamentary question on this particular amendment. If debate is to be had on the question of the germaneness of the amendment, which is a parliamentary question to be passed on by the Senate, rather than the Chair, the Chair would feel that the debate should be limited to that question.

The debate might involve discussion as to how it is related to the language of the bill to which it is added, how it is relevant or irrelevant, and so forth, as regards the question of germaneness.

Mr. LUCAS. Mr. President, I withdraw the unanimous-consent request for a moment, in order to submit another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. I made a point of order against this language, on the ground that it was legislation on an appropriation bill. I cannot understand how another Senator can take me off my feet through an inquiry whether certain language is germane or not germane, and then have the Chair proceed to place the question of germaneness before the Senate, without first passing on the point of order which was made, by the Senator from Illinois and which seems to me to be the pending question before the Senate.

I should like to have the Chair's ruling on that situation, because to my mind this presents a most unusual and rather confused parliamentary problem.

The VICE PRESIDENT. The Chair will undertake to state that matter insofar as he can.

A while ago the Chair stated that under the rule as to the germaneness of an amendment, which requires that the question be submitted to the Senate, ordinarily the point of order is made that it is not germane. That, in the

opinion of the Chair, might have been what the Senate had in mind when it adopted the rule. When that question is raised, it must be submitted to the Senate without debate. It has priority over other points of order, according to a decision of the Senate itself on a former occasion, where, under the same circumstances, a point of order was not made against the amendment on the ground it was not germane, but was made under the circumstances here, suggested by those who were supporting the amendment, that it was germane. On a ye-a-and-nay vote, the Chair was overruled by the Senate, the Senate itself holding that the question had to be submitted to the Senate, and that it had priority over other points of order.

The Chair based his ruling upon that one decision of the Senate, itself. The Chair does not feel that he can overrule that decision of the Senate itself on that point, although the Chair still is a little bit confused about how the sponsors of an amendment can make the point of order that it is germane, when nobody has made the point of order that it is not.

Mr. LUCAS. That is the point exactly, Mr. President, that I am trying to come to.

Mr. RUSSELL. Mr. President—

Mr. LUCAS. Just a moment.

Mr. RUSSELL. Mr. President, if the Senator from Illinois is going to debate this question without permitting anybody else to do so, I demand the regular order.

The VICE PRESIDENT. The Senator from Illinois submitted a further parliamentary inquiry to the Chair. The Chair is hearing the Senator, and the Chair will, on the point of order, hear all Senators who want to be heard.

Mr. RUSSELL. I thank the Chair.

Mr. LUCAS. I am sorry if I seem to have strayed a little from the point of order, but I was trying to hold to the text and to obtain from the Chair some information with respect to the precedents, in what seems to me to be a very unusual situation. I am not completely familiar with past decisions or precedents. Whatever the precedent has been, it seems to me that sooner or later it will be overturned.

I shall not take an appeal from the decision of the Chair at this time, but it is a very unusual situation for one who has made a point of order to be taken off his feet by someone who merely suggests that the amendment is germane, who does not even suggest to the Chair that the point of order of germaneness is raised, but merely participates in the colloquy, and the Chair immediately assumes germaneness to be an issue, and takes the Senator from Illinois from the floor.

Mr. President, I am going to withdraw my unanimous consent request. Let the Senate vote on whether the amendment is or is not germane, without debate.

The VICE PRESIDENT. The Chair would like to say in regard to this matter that it is an unusual situation, there can be no question about that. The

Chair thinks the rule contemplated that a point of order would be made against an amendment on the ground of its not being germane, and that thereupon it would be submitted to the Senate. Unless the point of order is made against an amendment on the ground that it is not germane, it is not in question as to whether it is in order or not, and no amendment is questioned unless a point of order is made. No matter how much the rules of the Senate may be violated, if some Senator does not make a point of order, the Chair has no jurisdiction to pass upon the question at all. The Senate, however, passed on that matter on a former occasion, in 1943, and the Chair does not feel that he can arbitrarily overrule the decision of the Senate itself, whatever he may have thought of the decision at the time.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. As I understood, the Chair stated a moment ago that, in the event the Senate holds the amendment to be germane, then the point of order on the question of its being legislation in an appropriation bill, cannot be considered.

The VICE PRESIDENT. The Chair will hear argument on that. Superficially that might seem to be so. If it is an amendment to a legislative provision in the House bill, and is germane to the legislative provision of the House bill, that would tend to cure the defect of being legislation on an appropriation bill, if separately presented.

Mr. LUCAS. I should want to argue that. But the net effect if that view is correct, is that the rule of germaneness by majority vote, regardless of what might happen, could nullify the rule respecting the two-thirds requirement in the case of legislation on an appropriation.

The VICE PRESIDENT. That might be.

Mr. WHERRY. Mr. President—

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Nebraska.

Mr. WHERRY. I should like to have a restatement by the Chair. The question I wanted to propound to the Chair was, in the event the issue of germaneness were determined favorably, the Senate holding the amendment to be germane, then a point of order against the amendment, as I understood the Chair, would not lie, because decision that it is germane would preclude the point of order raised by the Senator from Illinois as to its being legislation on an appropriation bill.

The VICE PRESIDENT. The Chair feels that undoubtedly on its merits as a single proposition this amendment is legislation on an appropriation bill. But if it is legislation added to a legislative provision of the House bill, to which it is germane, then the question of its being legislation on an appropriation bill is solved, if the Senate holds it to be germane.

Mr. WHERRY. So the vote on germaneness in reality would settle the issue

of whether it is legislation on an appropriation bill; would it not?

The VICE PRESIDENT. The Chair thinks so. In other words, if this is a germane amendment to a legislative provision of the House bill, then the point of order would not lie against it as legislation on the appropriation bill.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. I may suggest to the Chair that the provision of paragraph 4 of rule XVI applies only to amendments offered on the floor, and does not apply to amendments offered by the Committee on Appropriations. The Committee on Appropriations frequently puts into appropriation bills items which are not germane to the other provisions of the bill. It seems that paragraph 2 of rule XVI is intended to limit the Committee on Appropriations. In paragraph 2 there is no provision with respect to germaneness. I merely want to suggest to the Chair that the question of germaneness applies only to amendments offered on the floor of the Senate after the bill has been reported by the committee.

The VICE PRESIDENT. After consulting with the Parliamentarian the Chair is inclined to conclude as follows:

With respect to appropriation bills rule XVI provides:

No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received, nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto—

The question is, What does the rule mean when it says, "No amendment shall be received"? Does it mean that no amendment shall be received on the floor of the Senate, or does it mean that no amendment shall be received by the Senate from the committee which has reported the amendments? The Chair is unable to escape the conclusion that, when the rule says "No amendment shall be received," it means no amendment shall be received by the Senate, and that that applies to committee amendments as well as to amendments offered from the floor. Therefore, the Chair thinks the point raised by the Senator from Ohio, while persuasive, is not well taken, under the precedents. The Chair, therefore, adheres to his original ruling.

Mr. McKELLAR. Vote.

Mr. RUSSELL. Mr. President, if the Chair will indulge me, I am not in the habit of arguing after the judge has ruled, but it appears to me that subsection 4 of rule XVI applies to all amendments, whether reported by the committee or offered from the floor. It derives from Jefferson's Manual.

The VICE PRESIDENT. It might be construed to mean that while no Senator can offer an amendment from the floor which is not germane or relevant, the committee itself could bring in such amendments and offer them ad infinitum. The Chair does not believe that is the meaning of the rule.

The question now is, Is the committee amendment under discussion germane? On this question the yeas and nays have been demanded.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Let us see whether the Senate wants the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Senator from Massachusetts will state his parliamentary inquiry.

Mr. SALTONSTALL. While I think the answer is clear, I should like to have a statement from the Chair. The question before the Senate now is the question of the germaneness of the amendment. If the amendment is later declared by a majority vote to be germane, then there will be debate on the merits of the amendment, and another vote on the amendment. Is that correct?

The VICE PRESIDENT. If the Senate votes that the amendment is not germane, of course it is out; there are no more points of order with reference to it. If the Senate votes that the amendment is germane, it is subject to debate, like any other amendment.

The question is, Is the amendment germane?

Mr. McCLELLAN. Mr. President, a "yea" vote will sustain the germaneness of the amendment; will it not?

The VICE PRESIDENT. An affirmative vote is in favor of the germaneness of the amendment. A negative vote is against the germaneness of the amendment.

The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Arizona [Mr. McFARLAND] are absent on public business.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Kentucky [Mr. WITHERS] are unavoidably detained.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Nevada [Mr. MALONE] is detained on official business.

The result was—yeas 54, nays 32, as follows:

YEAS—54

Aiken	Cain	Ellender
Baldwin	Capehart	Ferguson
Brewster	Chapman	Frear
Bricker	Cordon	Fulbright
Bridges	Donnell	George
Butler	Downey	Gillette
Byrd	Ecton	Gurney

Hendrickson	McClellan	Schoeppel
Hickenlooper	McKellar	Smith, Maine
Hoey	Martin	Stennis
Jenner	Maybank	Taft
Johnson, Colo.	Miller	Thomas, Okla.
Johnston, S. C.	Millikin	Thye
Kem	Mundt	Watkins
Kerr	Murray	Wherry
Langer	Robertson	Wiley
McCarran	Russell	Williams
McCarthy	Saltonstall	Young

NAYS—32

Anderson	Ives	Morse
Connally	Johnson, Tex.	Myers
Douglas	Kefauver	Neely
Dulles	Kilgore	O'Connor
Flanders	Knowland	O'Mahoney
Graham	Lodge	Pepper
Green	Long	Thomas, Utah
Hayden	Lucas	Tobey
Hill	McGrath	Tydings
Holland	McMahon	Vandenberg
Hunt	Magnuson	

NOT VOTING—10

Chavez	Malone	Taylor
Eastland	Reed	Withers
Humphrey	Smith, N. J.	
McFarland	Sparkman	

The VICE PRESIDENT. On this question the yeas are 54, the nays are 32, and the Senate holds that the amendment is germane. The question is on agreeing to the amendment.

Mr. LUCAS. Mr. President, I raise the same point of order that I raised before, notwithstanding the vote of the Senate that the amendment is germane. I would like to know what it is germane to.

Mr. President, the language of the amendment is "the amount required to finance the procurement of surplus agricultural products * * * of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing," and so forth. There is not a single line or syllable about surplus agriculture products in the House bill.

The Chair has held, as I understood him to rule a moment ago, that this particular provision must be germane to a legislative provision which has been incorporated in the bill by the House. Notwithstanding the fact that the Senate has voted the amendment to be germane I seriously contend that the particular amendment is not germane to anything that was in the House bill appearing before this amendment was written in by the committee.

Mr. DONNELL. Mr. President—

Mr. LUCAS. One moment.

The VICE PRESIDENT. Is the Senator from Illinois addressing a parliamentary inquiry to the Chair?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The Chair did not hold that the amendment was germane. The Senate voted that it was, and the Senate will have to decide what it is germane to. It is not a question for the Chair.

Mr. LUCAS. Mr. President, notwithstanding what the Senate decided, I am still making the point of order that the language we are now discussing is legislation upon an appropriation bill, and notwithstanding the fact that the Senate has declared that it is germane to something in the bill—nobody knows what—it is still subject to the point of order, because there is an absolute dis-

tinction between the question of germaneness of an amendment and the question of its being legislation upon an appropriation bill. It is still my studied opinion that the mere fact that the Senate has ruled that it is germane does not automatically decide that this language in the bill does not deviate from existing law or is not legislation upon an appropriation bill. I still make the point of order that it is legislation upon an appropriation bill.

Mr. President, if by this method a Senator can come before the Senate and submit a question of germaneness upon every phase of an appropriation bill, or any other measure that is before the Senate, it will be possible to bypass absolutely the two-thirds rule, under which it is necessary to have a vote of two-thirds to sustain an amendment which proposes legislation on an appropriation bill. All a Senator would have to do, if he had a majority with him, would be to suggest that an amendment was germane, and if he could get the majority to say that it was germane, then there would be nullified and abrogated the two-thirds rule, which has been in existence at least ever since the Senator from Illinois has been a Member of the Senate, and was the rule long before that.

Mr. President, a dangerous precedent is being set. I submit we might just as well forget about the two-thirds rule if my point of order is not sustained.

Mr. President, notwithstanding the fact that the Senate has voted that the amendment is germane, I submit that, that action of the Senate in no wise affects the question of legislation upon an appropriation bill. There could be in an appropriation bill many things which are germane, which would be in an entirely separate category when it comes to the question of legislation on an appropriation bill.

Mr. ROBERTSON. Mr. President, as one Member of the Senate who expressed the opinion that the amendment was germane, I wish to say that my decision on that issue was based upon my understanding that the House had sent to the Senate a bill authorizing the appropriation of a given number of dollars to buy various supplies for the cooperative countries who hold membership in OEEC. When the Committee on Appropriations took testimony on the bill, we asked the Administrator to indicate to us what those supplies would be, and he indicated that some of them, quite a substantial number of them, would be farm supplies, that others would be machinery, that some would be loans, and some would be services. Therefore, I felt that when the distinguished Senator from Arkansas offered an amendment directing the Administrator to purchase the amount of farm supplies contemplated in the House bill, which the Administrator had indicated to us in his tentative estimate he was inclined to purchase, it was germane to the program we were considering.

I do not care to argue the new point, that the amendment is legislation on an appropriation bill. I have been proceeding on the assumption that it con-

formed to the Ramseyer rule, under which we can put into an appropriation bill legislation which limits the expenditure of funds. Whether this limits the expenditure of funds I would not like to say, for one reason because the Administrator has informed us that his estimates of the needs of the farm products were in the first place tentative, subject to revision as further crop reports come from Europe and, secondly, that they were based upon an estimate of approximately \$4,000,000,000, and we have cut the total appropriation by more than \$400,000,000. Therefore he claims that it would be very necessary for him to revise his tentative estimates, and perhaps give a lower allocation to wheat, corn, and cotton.

I wish to say in all frankness, Mr. President, that when I first discussed this problem before the Senate I clearly indicated my opposition to the amendment. I think it is entirely undesirable. But that is aside from the point of whether or not it is germane, or whether or not it falls within the rule that it is legislation improperly upon an appropriation bill.

We are aware of the fact that the Secretary of Agriculture thinks this is a bad amendment, that it will hurt our farmers instead of helping them. We are aware of the fact that all three major farm organizations have very explicitly gone on record against the amendment. We are aware of the fact that it could be used as propaganda by Communists, that, instead of carrying out a cooperative program to rehabilitate our allies in western Europe, we are using this relief as a dumping process for surplus farm products, a claim which we have always denied. They claimed all along that we were not really aiming to help western Europe, that we were afraid of a depression, that we wanted to move surplus products abroad, and that this was the means we had adopted for moving them.

Mr. President, I simply wanted to explain that in voting this amendment to be germane, and I thought it was, I in no sense committed myself on its merits, because I am very much opposed to it, and I hope the Senate will not adopt it, when it comes to vote on it.

The VICE PRESIDENT. The question is on the point of order raised by the Senator from Illinois.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Will the Senator wait a moment until the Chair makes a statement. The question is on the point of order raised by the Senator from Illinois, and the Chair thought the Senator from Virginia [Mr. ROBERTSON] was arguing the point of order rather than the merits of the matter. If the Senator from Nebraska wishes to argue the point of order—

Mr. WHERRY. Has the Senator from Illinois made a point of order? I did not hear the Senator from Illinois make a point of order.

The VICE PRESIDENT. Yes; he did make a point of order.

Mr. WHERRY. When I indicated I wished to make a parliamentary inquiry,

I wanted to ask whether the Senator from Illinois had made a point of order. I did not hear him make a point of order that the item was legislation on an appropriation bill. If he has made such a point of order I should like to speak on it for a moment.

The VICE PRESIDENT. The Chair is ready to rule on the point of order.

Mr. WHERRY. Is the point of order not debatable?

The VICE PRESIDENT. It is debatable if the Chair desires to hear arguments on the point of order, but the Chair is ready to rule on the point of order, and does not feel that it is necessary to hear any further arguments on that point.

Mr. WHERRY. The majority leader was given plenty of time to present his argument in favor of the point of order. Therefore it certainly seems that equal opportunity should be afforded other Senators to answer the points he has made.

The VICE PRESIDENT. If the Chair is prepared to overrule the point of order made by the majority leader, what is the use of arguing?

Mr. WHERRY. That is not the point I make, Mr. President. When one Senator is recognized by the Presiding Officer to make a point of order and to present arguments in favor of his point of order, I certainly feel that equal opportunity should be afforded Senators who are opposed to the point of order.

The VICE PRESIDENT. The rule provides that it is in the discretion of the Chair to hear arguments on a point of order. The Senator from Nebraska is familiar with that rule.

Mr. WHERRY. Yes.

The VICE PRESIDENT. The Chair is ready to rule, and since the Chair assumed that the Senator from Nebraska was opposed to the point of order, the Chair felt it was not necessary to listen to argument against it.

Mr. WHERRY. The Chair anticipated what I was going to say?

The VICE PRESIDENT. Yes; he did.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Did not the Chair state before the point of order was raised that he was of the opinion that the point of order was not valid?

The VICE PRESIDENT. The Chair stated that if the Senate voted that this amendment was germane, that in itself eliminated any further point of order against it.

The Chair would like to make an observation. There are two rather apparently conflicting provisions of the rule. As the Chair said a while ago, it is a little unusual for the sponsors of an amendment to make the point of order that it is germane when no Senator had made the point of order that it is not germane. The decisions of the Chair are usually made on the points of order made against an amendment to or a provision of the bill. But under the precedent referred to, when a similar situation arose, the Senate voted on the question, and held that the matter was germane, although

the point of order against its germaneness was not made.

There are two theories about the question of legislation on an appropriation bill and the limitation of language in an appropriation bill. Language that limits or prohibits the expenditure of money is a limitation. Language in the bill which affirmatively directs the executive department how to spend money is not a limitation. Under the rule which has been long upheld by precedents and decisions, in a general lump sum appropriation bill amendments directing that a portion of the money be spent for any specific purpose are not in order. But that point is not raised here. That is not before the Chair. It would be properly, in connection with a point of order against the amendment, on the ground that it is legislation on an appropriation bill.

The Chair, I think, indicated—if not, he would now—that he thinks this is legislation on an appropriation bill. Undoubtedly it is. But the question of the germaneness of that legislation to some other legislative provision in the bill had to be submitted to the Senate. The Senate has decided that it is germane. It is not for the Chair to say what it is germane to. The Senate decided it was germane to something, and that, of course, has to stand as the ruling of the Senate. Therefore, the Senate having decided that question in the affirmative, the point of order that it is legislation, and therefore in violation of the rules, must be overruled because the Senate held by its vote that if it is legislation—and by implication it might be held that the Senate voted that it is legislation, but that it is germane to some other legislative provision in the bill—the Chair is compelled to overrule the point of order made by the Senator from Illinois.

The Chair acknowledges the confusion by which this rule seems to be surrounded, growing out of a previous decision of the Senate, but the Chair cannot help that.

The question now is on the amendment itself.

Mr. PEPPER. Mr. President, will the Chair permit a parliamentary inquiry in connection with the ruling just made?

The VICE PRESIDENT. Yes.

Mr. PEPPER. So that Senators may be informed about the future course, does the ruling of the Chair mean that when the question of germaneness is raised by the proponent of an amendment and settled in the affirmative, that shall be held conclusively to mean that the decision of the Senate was that it was not only germane, but germane to a legislative provision which came over from the House of Representatives in the bill, and that, therefore, the question of the matter in issue being legislation is not subject to be raised as a point of order?

The VICE PRESIDENT. The Chair is inclined to the opinion—not rendering any decision, however—that if the question of the germaneness of any amendment to an appropriation bill is submitted to the Senate, and the Senate votes that it is germane, that ends it so far as

any objection to it on the ground that it is legislation on an appropriation bill is concerned. That may be a ridiculous parliamentary situation, but that seems to be the consequence of the Senate's action.

Mr. PEPPER. Will the Chair allow a further observation on that point?

The VICE PRESIDENT. Yes.

Mr. PEPPER. It had seemed to the Senator from Florida that in the rule there were two questions presented, one the question of relevancy, which is decided, not by the Chair, but by a vote of the Senate. The second one is the question whether the subject involved is legislation on an appropriation bill. It did not seem to the Senator from Florida that the decision in the affirmative on the question of relevancy necessarily precluded the question of it being legislation on an appropriation bill, because, for example, the ruling on the question would be by a different tribunal. Under the rule itself, on the question of germaneness, the decision is by the Senate, but on the point of order as to whether the matter is legislation on an appropriation bill I had understood that the decision would be by the Chair. So they must be different questions. I had never understood that the question on the point of order as to a matter being legislation on an appropriation bill would be submitted without argument to the Senate for its decision. Therefore, they must be two separate questions, and I do not think it necessarily follows that the decision of one by the Senate necessarily precludes the decision of the other by the Chair, unless, as the question I put originally supposed, the affirmative decision of germaneness by the Senate is presumed conclusively to be a decision by the Senate that the issue is not only relevant, but relevant to a legislative provision which came over to the Senate from the House of Representatives.

The VICE PRESIDENT. The Chair would state that it has been held frequently by the Senate and by the Chair—by the Chair, at least—that where there is legislative matter in an appropriation bill coming over from the House a legislative amendment to that legislative proposal already contained in the House bill is in order if germane to that particular matter, and the question of its germaneness must be submitted to the Senate. That is wholly independent of the point that it is legislation, because that presupposes that it is legislation or that it is an amendment embodying legislation, and if it is not germane to any other legislative provision in the bill, and the Senate so decides, of course, that vitiates the amendment at once.

But if the Senate holds, which it has done in this case, that it is germane either to the language to which it is appended, or germane to the bill—because the rule itself deals with germaneness to the bill as well as to any particular part of the bill—if the Senate votes that it is germane, although legislation, if it is germane to any other legislative provision of the bill, the Chair does not see how he can overrule that decision of the Senate by deciding that, although the

Senate has held that it is legislation and that it is germane, nevertheless the Chair can say that it is legislation on an appropriation bill, and therefore declare the amendment out of order. That would be in effect overruling the decision of the Senate.

Mr. PEPPER. The point I had in mind was that the Senate Committee on Appropriations might present some matter in the bill with respect to which the question of germaneness might arise, and the Senate might decide the question of germaneness itself; but I had not supposed that it would be conclusively presumed that, if it were germane to a legislative provision, it would not be subject to the point of order that it is legislation if, in the opinion of the Chair, it were not only germane but also legislation on an appropriation bill.

The VICE PRESIDENT. The question whether an amendment is germane to a legislative provision is for the Senate to decide. The Senate decided that this amendment was germane to a legislative provision of the bill as it came over from the House. When the Senate decides that it is legislation, but that it is germane to the bill, the Chair cannot throw the amendment out on a point of order that it is legislation, because the Senate has voted that, notwithstanding it is legislation, it is germane to a legislative provision of the bill.

Mr. PEPPER. The Chair did not suggest that under the rule the Chair did not submit to the Senate the question whether or not it is legislation.

The VICE PRESIDENT. The Chair does not have to submit that question.

Mr. PEPPER. Only the question of relevancy was involved in the decision of the Senate. It seems to me that under the rule a second decision, as to whether it is legislation on an appropriation bill, should be made by the Chair. In that case, even if it were relevant to a legislative provision, it would be subject to a point of order.

Mr. TAFT. Mr. President, I appeal from the decision of the Chair.

The VICE PRESIDENT. From what decision of the Chair does the Senator appeal?

Mr. TAFT. The decision overruling the point of order of the Senator from Illinois.

The VICE PRESIDENT. Such an appeal is in order. Does the Senator wish to argue the appeal?

Mr. TAFT. I appeal from the decision of the Chair for this reason: I am no strong partisan of either side so far as the amendment is concerned; but it seems to me that we are embarking on a course which will lead to the breakdown of the rule prohibiting legislation on appropriation bills. I think it is an excellent rule. I cannot see why a point of order cannot be made against an amendment on the ground that it is legislation, even though it may be germane.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GEORGE. Is not this body entitled to amend an appropriation bill

sent over by the House of Representatives?

Mr. TAFT. The rule provides that—

No amendment which proposes general legislation shall be received to any general appropriation bill.

Mr. GEORGE. When the House has inserted a legislative provision—

Mr. TAFT. That is another question.

Mr. GEORGE. No; it is precisely this question.

Mr. TAFT. If the House has inserted general legislation, the amendment does not propose general legislation. The House has already done it, and we are developing in that field the question of further general legislation by amending the general legislation which the House has put in the bill. But it seems to me there can be no question about the result.

I do not see any relation whatever between the rule regarding general legislation and the rule regarding germaneness. The English is entirely separate.

No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received.

They are entirely distinct. There is no relation whatever between them so far as I can see. The question of germaneness is dealt with in one way by a vote of the Senate. Suspension of the rule regarding general legislation has always been by a two-thirds vote. If we want to insert general legislation in an appropriation bill, I see no possible argument for the claim that the two propositions are related, and that because an amendment is germane it is no longer general legislation. The two rules are entirely distinct.

I believe that if this precedent is established, it means an end to the rule which forbids general legislation on an appropriation bill. I think it is a very bad practice. It is done too much, and I do not think the practice should be extended. So I appeal from the decision of the Chair. I feel that the Senate itself should decide in this case. The question of general legislation is a point of order which can be raised regardless of how the Senate votes on the question of germaneness.

Mr. GEORGE. Mr. President, I wish to say a few words on this question. I believe it to be important. I think the question of whether an amendment is germane to something which is inserted by the House of Representatives is a complete answer to the point of order that it is legislation. Otherwise the hands of this body would be tied to leaving, just as the House sent it to us, a purely legislative matter which they themselves inserted in an appropriation bill. There can be no point of order as to what the House did on an appropriation bill. Our rules do not apply to the House. The House itself is the judge of its own rules, and when it sends us a bill which clearly contains legislative matter, though it be included in a general appropriation bill, then certainly if we cannot amend that legislative matter, we become an utterly useless part of the legislative process.

Mr. TAFT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. GEORGE. I yield.

Mr. TAFT. The Senator is not suggesting, is he, that there is any general legislation put in this bill by the House of Representatives at any place?

Mr. GEORGE. Oh, yes.

Mr. RUSSELL. The amendment is right in the middle of it.

Mr. GEORGE. The amendment is in the very body of a legislative proposal inserted by the House. The ruling of the Chair is the only logical ruling that can be made. It is unnecessary to make the point that an amendment is germane. That is a defensive argument against striking the amendment, because the point has been made that it is legislative. What is the status of it? Here is a legislative matter. Let us concede that it is purely legislative, inserted by the House under its own rules. It comes to this body. A point of order is made to an amendment offered in the Senate that it is in the nature of legislative matter and cannot be included in a general appropriation bill. When that is urged, and that question is decided as the Chair properly resolved it in this case by submitting it to the Senate, that is the answer. Yes; it is legislative matter, but we are proposing to amend it. We must have the right to amend it, and therefore when it is determined to be a legislative matter by the Senate, the point of order that it is a legislative matter is, of course, of no force or effect. It seems to me it is too clear to admit of argument, and I do not think any other consistent rule could be adopted if this body is to be left free to legislate on what the other body of the legislative branch has itself inserted in the bill.

If the Senate inserted a legislative provision in a general appropriation bill, and if some Member of the Senate proposed from the floor to amend that legislative provision by another legislative provision or by some modification or change of it, certainly the point of order would be well taken because the whole thing would be subject to a point of order—that is to say, the whole amendment as first inserted by the Appropriations Committee, and also the proposal submitted by some Member from the floor to amend it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. What is the provision of the House which amounts to legislation? All I can see is general authority to spend \$3,600,000,000 for the purposes of the act.

The only legislation I can see is the statement "without regard to section 3651 of the Revised Statutes."

Mr. GEORGE. Mr. President, the Senator from Ohio is exactly in the same boat with the distinguished Senator from Illinois, and both of them are complaining that the umpire made a wrong decision. However, the Senate decided that it was relevant, that it was mate-

rial, that it was germane. That is the end of the matter. The umpire decided against the Senator.

Mr. TAFT. Oh, no; the question is whether germaneness has the slightest connection with the point of its being legislation. The only legislative matter I can see that the House has inserted is the statement that this shall be done without regard to section 3651 of the Revised Statutes.

Simply because the House opened up that provision, I do not think we are entitled to go further and change all the other features of the Economic Cooperation Act in any way we choose, in violation of the rules of the Senate which say we shall not do so.

Mr. GEORGE. Mr. President, the Senator from Ohio is making a powerful argument against a decision which has just been made by the Senate—a decision that this amendment is germane. In this case germaneness is an absolute, positive defense. It is not a mere plea of "not guilty," meeting the issue on the merits, but it is a positive defense equivalent to any positive defense which might be offered in any court to any cause of action.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. I wish to call the Senator's attention to the fact that the wording of the House bill was that—
and loss by exchange, \$3,568,470,000—

And then this is added:
and (2)—

Thus connecting both of them together—

not to exceed \$500,000 shall be available for expenditures of a confidential nature (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

That is legislation pure and simple. There can be no question about it.

What does it do, Mr. President? It gives the Administrator and even the Deputy Administrator certain rights which they do not now enjoy. That is legislation. No one can dispute it. It is there.

Mr. GEORGE. Mr. President, I thank the Senator for submitting the argument, but I do not think we need any argument. The issue has been submitted to the Senate, and the Senate decided that the amendment is germane. That answers the point of order that it is legislation.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. I hesitate to disagree with the distinguished Senator from Georgia, but he has just used the words "germane amendment." I voted in favor of holding the amendment to be germane, but I do not consider that I voted on the question of the amendment's being legislation on an appropriation bill.

I agree with the Senator from Florida and the Senator from Ohio that two questions are involved here, namely, the question of germaneness and the question of legislation on an appropriation bill.

This amendment is germane to an appropriation bill, but it is not necessarily in order if it is legislation on an appropriation bill. It seems to me that we can vote that it is germane to the appropriation bill and still have a question, to be presented to the Senate, as to whether it is legislation on an appropriation bill.

It seems to me that now the question of a point of order as to the amendment's being general legislation is open, even though it has been decided to be germane to an appropriation bill. The appropriation is the granting of funds for a present-day policy of government. A legislative amendment is a change in a policy of government. That is why legislation cannot be added to an appropriation bill.

This is germane to an appropriation bill, but not necessarily germane to a legislative provision.

I most respectfully say to the Senator from Georgia that he confuses the two points when he says that the question of germaneness and the question of legislation on an appropriation bill are one and the same thing.

Mr. GEORGE. Mr. President, I appreciate the admonition of my distinguished colleague and friend, the Senator from Massachusetts; but there can be no issue of germaneness, unless the amendment is germane to something inserted in the bill by the House of Representatives.

If the Senator's position were correct, then on any sort of an appropriation measure if we were to do anything by way of amendment to a part of the appropriation fund, that would be a germane amendment. But I do not think so.

If I may be pardoned for the comparison, let me say it is exactly comparable to a situation in which a person is indicted for murder. He might defend by saying "I am not guilty," or he might offer an affirmative defense that he was utterly crazy when he committed the act. In that event the authorities could not do anything to him, unless he subsequently recovered his sanity.

So, when someone makes the point of order here that an amendment is legislation on the appropriation bill, the answer is, if that point can be sustained, "Yes, it is; but it is absolutely germane to something already put in the bill."

Otherwise we would deliberately tie our hands; and the House could do whatever it pleased to do, but we could not touch that action on the part of the House except to vote it either up or down.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MYERS. Under the Senator's proposal, is it not possible for the Senate to determine whether the amendment is germane?

Mr. GEORGE. That is correct.

Mr. MYERS. As a result, we no longer give any effectiveness to the point of order that the proposal is legislation. Is that correct?

Mr. GEORGE. No; we do not give any effectiveness to the point of order, because the Senate has deliberately recorded itself contrary to its previous judgment of fact. Sometimes I have seen the Senate do that, I may say.

Mr. MYERS. But in the future, in connection with any similar provision, the Senate can say it is germane; the Senate can say that an amendment in the nature of legislation came to us from the House of Representatives, and, therefore, after such a vote, no longer can a point of order be raised as to whether the matter is legislation on an appropriation bill.

Mr. GEORGE. That is exactly true. But I do not mean to say that the Senate would so vote if there were no basis for such a vote.

In this case I think it is germane; but I would be most reluctant to assume that the Senate would ever say that something is germane if it had no possible basis upon which that statement could stand.

Mr. MYERS. It opens the door to that.

Mr. GEORGE. Yes; it opens the door. But the door is always wide open for us to vote as we please.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. ANDERSON. Following the suggestion made by the distinguished senior Senator from Ohio [Mr. TAFT] are we to understand now that the rule is that if an appropriation bill is before the Senate and the Senator from Arkansas [Mr. McCLELLAN] proposes his economy amendment and asks whether it is germane, a mere vote of the Senate that it is germane would obviate the two-thirds rule under which the Senate has heretofore operated? Is that correct?

Mr. GEORGE. If the amendment were germane, and the Senate so held.

Mr. ANDERSON. If he so proposed, then the two-thirds rule would be out. Is that correct?

Mr. GEORGE. Yes; the two-thirds rule has nothing to do with it, if it is germane. But of course the Senate must make that decision.

Is the Senator willing to have the House write legislation in an appropriation bill, and then have the Senate foreclosed from amending it or changing it?

Mr. ANDERSON. No; but I would say to the Senator from Georgia that in the Senate I voted on an issue to which the two-thirds rule was applied. I refer to the economy motion made by a Senator on the other side of the aisle. The motion carried by a majority, but it did not receive a two-thirds vote. Now I understand that, the next day, all it would be necessary to do would be to ask that it be declared, by majority vote, to be germane, and then the motion could be adopted.

Mr. GEORGE. Yes, Mr. President; it is possible for the Senate to do that, if

the Senate wishes to stultify itself. But I would not assume that the Senate would wish to do so. If the Senate wishes to do that, it may do it. There is no power on earth that can keep the Senate from casting a foolish vote or one wholly untenable, if it wants to do so.

Mr. President, it seems to me too clear to permit of argument that the appeal should be overridden, and the Chair should be sustained; otherwise we cannot preserve freedom of action in this body. One way of preserving our freedom of action is to be able to offer amendments so long as they are germane to something the House has embedded in the legislation we are asked to confirm or approve.

The VICE PRESIDENT. Let the Chair state that, as he understands, the debate is now proceeding on the appeal from the decision of the Chair.

Mr. LUCAS. Mr. President, the Senate of the United States is about to make one of the most far-reaching and momentous decisions from the standpoint of parliamentary law it has been called upon to make since I have been a Member. I always dislike to disagree with the very able and eminent Senator from Georgia, but, Mr. President, just so surely as we permit the ruling of the Chair to stand, we open the door in the future to all types and kinds of legislation to be proposed by the Appropriations Committee.

Mr. President, I do not say the Senate will ever stultify itself by doing that, but I say the door is wide open to turn over to the Appropriations Committee not only the appropriations which come before the Senate, but also the legislative policy of this great deliberative body. If this ruling is to be followed in the future, then the rule requiring a two-thirds vote before a legislative amendment could be added to an appropriation is to be disregarded. A majority will be able to write any type of legislation upon an appropriation bill it may desire. It has been done in the past. It will be done again. Every Senator knows that appropriation bills have come from the Appropriations Committee to the Senate without House legislation contained therein, and yet the Senate committee would seek to add legislation of its own upon the bill. I would not charge the committee members with stultifying themselves by so doing.

As Senators know hundreds of times the two-thirds rule has been invoked. But had they known the situation as developed today, all that would have been necessary to do would be for Senators merely to say "We do not think it is germane," followed by a majority vote sustaining the germaneness. As a result, the two-thirds rule would be gone, and the Appropriations Committee, powerful as it is now, would practically take over the Senate of the United States and run it. That is the trend, Mr. President, based upon all these amendments in the bill before us.

Mr. President, the Appropriations Committee has certain duties to perform. The committee has no right to write into an appropriation bill legislation of this kind unless the two-thirds rule applies.

The Senate should have the right to apply the rule, when the point is made that an amendment constitutes legislation upon an appropriation bill. Notwithstanding the one ruling in the past which the Chair cited, I maintain that that ruling should be overturned in the interest of orderly procedure in the Senate, in the interest of keeping the Appropriations Committee from becoming the one and only committee in this body that will control practically everything that comes along. If that committee can write this kind of legislation into an appropriation bill, I do not care what comes up next in the way of an appropriation; other types of legislation will be written into it, and the Appropriations Committee will be making all the legislation for the Senate of the United States.

Mr. ANDERSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New Mexico?

Mr. LUCAS. I yield to the Senator from New Mexico.

Mr. ANDERSON. If there were a legislative bill to create funds for the taking of a census, would it be possible to put a poll tax rider on it?

Mr. LUCAS. It is possible to do anything, under this ruling. In other words, when a poll tax rider is put on an appropriation bill, or a census bill, and the majority says it is germane—that makes it so.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. But the Senate would make the determination of whether—

Mr. LUCAS. Of course, they would.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. Certainly.

Mr. WHERRY. I am having a hard time. Well, go ahead.

Mr. LUCAS. The Senator never had a difficult time with me.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. ANDERSON. Does the Senator not believe a majority might vote for the poll tax rider?

Mr. LUCAS. The Senator knows, if a poll-tax amendment were tacked onto an appropriation bill, it would be voted to be germane. The great majority of people believe in anti-poll-tax legislation, and Senators would vote their political convictions, whether such an amendment were germane or not. Everybody knows that to be so.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, does the Senator recall that before the vote was taken, the minority leader rose to address the Chair, and propounded a parliamentary inquiry?

Mr. LUCAS. That is correct.

Mr. WHERRY. The parliamentary inquiry was, if the Senate decided that the amendment was germane, whether that in itself made a determination of the point of order that had been made by the majority leader. Every Senator heard that parliamentary inquiry. The Chair said in his opinion the point of order made against legislation in the bill would be decided adversely, if the Senate voted that the amendment was germane.

Now, for the majority leader to say that the Appropriations Committee is taking over the Senate, when Members of the Senate heard and knew, when they voted on the question whether the amendment was germane, they would settle the issue, is certainly beside the point. It is not an issue at all. I am a member of the Appropriations Committee. I say to you, Mr. President, it is one of the finest committees in the United States Senate. [Laughter.] That applies to all its members. They all deserve praise. They have had great debates among themselves, and there have been some very close votes on certain issues, and on these amendments. But I ask, Mr. President, on the point made by the distinguished Senator from Georgia, are we going to permit the House of Representatives repeatedly to write legislation and limitations on appropriations bills and have no recourse ourselves?

Mr. MAGNUSON. Why does not the Senate committee cut out such matter.

Mr. WHERRY. Mr. President, may I continue?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. As I was saying, is the House to be permitted continually to write legislation and limitations in appropriation bills without our being able to make a point of order against such provisions? Is our own right to be foreclosed, either in the Appropriations Committee or on the floor of the Senate, so that, instead of the Appropriations Committee being all powerful, their power is to dwindle until it has no rights and we are not even coequal with the House of Representatives? Are we not coequal with the House of Representatives? My position is that when the Senate voted on the question germaneness it voted with the full knowledge that the point of order would not lie, if there was any merit to the argument made before the vote was taken on the germaneness of the amendment. I think the point or order does not lie, and I shall therefore, vote to sustain the decision of the Chair.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LODGE. Mr. President, I merely want to say to the Senator from Illinois that I think his argument in this instance is completely sound. During the years I have been in the Senate, going back to January 1937, I have come to appreciate the fact that the rule which requires a two-thirds vote for suspension, in order to attach legislation to

an appropriation bill, is the one thing which stands between the Senate and chaos. It is the one thing which enables business to be transacted in an orderly way. If we nullify that rule, it means that there will be unlimited legislation on appropriation bills, and the President will be absolutely helpless to deal with the situation, because the only way he can cope with it is to veto appropriation bills and paralyze the operations of the Government. I say to the Senator from Illinois that if this Pandora's box is opened as it looks as though it might be today, every Senator will live to regret it.

Mr. PEPPER. Mr. President the issue now before the Senate is whether the decision of the Chair shall be sustained. I shall vote in favor of the appeal and against the decision of the Chair. In doing so it seems to me that all I shall be voting for is that when the question of germaneness is decided by the Senate, that vote does not preclude the Chair, when, subsequently, a point of order is made that the matter in controversy is legislation on an appropriation bill, from himself passing upon such a point of order.

I venture to suggest that the parliamentary way by which this matter would ordinarily have been handled would be this: The question of relevancy and germaneness to be decided by the Senate does not necessarily have to relate to something which came over from the House of Representatives. It might relate to a matter put into a bill by the Senate Appropriations Committee. The rule itself speaks in the alternative, as the Senator from Ohio has emphasized, about germaneness and about general legislation on an appropriation bill. As I mentioned a while ago, the rule of relevancy and germaneness is to be decided by the Senate, but the question whether a point of order should be sustained on the ground of legislation in an appropriation bill is decided by the Chair. Therefore they are, of necessity, two matters and two separate issues. All the Senator from Ohio [Mr. TAFT] invites us to do is to say that by the decision of the Senate on the matter of relevancy, when subsequently a point of order is made, the Chair is not precluded from passing his own judgment upon the validity of a subsequent point of order.

In this particular case the second and most important question is, What must the subject of legislation coming over from the House have been, and must the matter in issue be relevant to that legislative provision? That is what the Senator from Ohio pointed out awhile ago. Does the House of Representatives have the power of putting one legislative proposal in a whole appropriation bill, and has the Senate the power to put in any matter of legislative character merely because there is one in another part of the bill?

The Senator from Tennessee, the able chairman of the committee, read line 10 down to line 16 and claimed that was legislation incorporated by the House of Representatives. Suppose it is. We are talking about an amendment which goes from line 4 down to line 9. The two deal with entirely different subjects,

The legislation to which the able chairman called our attention deals with a confidential fund of \$500,000 which the Administrator might employ. The Senator from Arkansas is offering legislation which deals with the subject of surplus farm commodities.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. I thought this particular amendment was germane, and there was no suggestion that the germaneness related to what the House of Representatives had put into the bill in the way of legislation. The question was, Was it germane to the whole Economic Cooperation Administration? It seemed obvious to me that it was; but I certainly did not intend to vote on the question of whether this amendment and amendments which the House has put into the bill might be called general legislation.

So it seems to me the question we passed upon has no relation to what the House put into the bill. The Chair may rule, if he so desires, that the House has opened this particular subject, and he may find this is germane to what the House put in. But that is not the question on which the Senate voted. The Senate voted on whether the particular amendment was germane to the whole program. That is why I voted "yea." If I had been asked to vote on whether it was germane to some legislation the House placed in the bill, I should have voted "nay." That was not the question before the Senate.

Mr. PEPPER. That is the point I wanted to emphasize. The Chair did not present to the Senate the question whether the matter in issue was relevant to lines 10 to 16 of the appropriation bill. I wanted to suggest that the Chair is not precluded, by that rule of relevancy and the decision of the Senate in favor of relevancy in this case, from subsequently passing upon the point of order made by the able Senator from Illinois [Mr. LUCAS].

The VICE PRESIDENT. The Chair would like to say in that connection that it is not the duty of the Chair to point out to the Senate to what provision an amendment is germane or in what respect it is germane to the whole bill. The rule takes that entirely out of the hands of the Chair and submits it to the Senate, as to whether it is germane. The Senate must make up its own mind as to what provision it is germane to or whether it is germane to the whole bill. That is not one of the functions of the Chair, under the rule.

Mr. PEPPER. That is the point the Senator from Florida inquired about a while ago. Is it conclusively presumed when the Senate decides an amendment is relevant or germane, that it is not only germane or relevant, but it is also germane and relevant to a legislative provision in a bill which came over to the Senate from the House of Representatives?

I venture to suggest that that is a non-sequitur. It would seem to me once the question of germaneness is decided affirmatively by the Senate, then when the Senator from Illinois made the point of order that, assuming it to be germane, it is legislation on an appropriation bill,

and therefore it is in violation of the rules of the Senate, the Chair would have to determine whether it was not only germane, as the Senate decided, but whether it was legislation on an appropriation bill. The Chair would have to look at the amendment in question to see whether the House of Representatives had put in a legislative provision on that particular subject, dealing with the matter of surplus agricultural commodities. If the House had put in an amendment or a provision dealing with the disposal of surplus agricultural commodities, then the Senate would certainly be at liberty, as the Senator from Georgia said, to alter a legislative provision sent to us by the House or Representatives; but then it would have been up to the Chair to have seen whether there was a legislative provision dealing with the subject, which came from the House of Representatives, dealing with a confidential fund. Then, if the Chair found that the House of Representatives had placed a provision in the bill dealing with surplus agricultural products—

Mr. WHERRY. Mr. President, may we have order?

The VICE PRESIDENT. The Chair pounds the desk and repeatedly asks the Senate to be in order, and the Chair obtains order. Then, as soon as a Senator begins to speak, disorder is resumed. The Chair hopes that the Senate will respect not only the Chair's desire to keep order, but will respect the rights of the speaker who has the floor, the Senator from Florida.

Mr. PEPPER. Mr. President, I was saying that the Senate having decided the matter of relevancy or germaneness in the affirmative, then it would seem to me that when the Senator from Illinois made the point of order that the subject in question was legislation on an appropriation bill, the rule contemplates that the Chair will look at the subject matter in question to see if there is a provision of a legislative character on that subject in the bill coming over from the House of Representatives. If the Chair should find that there is, then the Chair should hold, conformably to our precedents, that in spite of the fact that it was legislation, nevertheless, there was in the bill from the House of Representatives a basis for legislation on this subject, the Senate had adjudicated that it was germane, and therefore the point of order would be overruled.

If that is what the Chair wishes to hold, I think we would come out probably at the same place, but only if the Chair holds that the action of the House of Representatives legislating on confidential funds makes the Senate able to put in legislation on any subject without its being liable to a point of order.

I do not believe the Chair really intends to hold that the House can put a legislative provision in a bill dealing with any subject and that that opens the door completely to the Senate to deal legislatively with any other subject.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McCLELLAN. I ask the able Senator whether, if \$200,000 of the \$500,000,

to which the Senator refers, as placed in a confidential fund by legislation, came over in the House bill, it does not come out of the appropriation with which we are dealing.

Mr. PEPPER. Certainly; everything comes out of the appropriation.

Mr. McCLELLAN. Very well. If the House can legislate to take a part of that appropriation and apply it for one purpose, cannot the Senate amend it to make a part of it apply to another purpose, and would not that be legislation on legislation that came over from the House, and therefore germane?

Mr. PEPPER. The House did not legislate on the subject on which the Senator calls on us to legislate—that is, agricultural surpluses. The House legislated on confidential funds for the Administrator to use, and I say to the able Senator that I do not see how he can take that subject, on which the House was legislating, and claim that that is legislation on the subject we are dealing with when they are entirely unrelated.

Mr. CONNALLY. Mr. President, I wish to say just a word on this matter. I am supporting the view of the Senator from Ohio, and I apologize to the Chair for not supporting his view.

The VICE PRESIDENT. The Senator does not have to apologize to the Chair.

Mr. CONNALLY. I always like to support the Chair when possible.

The VICE PRESIDENT. The Chair has decided the question as the rules are laid down, and as they have been interpreted from time to time as shown by the precedents. Every Senator has a perfect right to disagree with the Chair and to vote to overrule him.

Mr. CONNALLY. Certainly; I agree with the Chair—in that particular. [Laughter.]

Mr. President, when I was a young country lawyer—

Mr. WILEY. How long ago?

The VICE PRESIDENT. A Senator cannot interrupt another without rising to his feet.

Mr. CONNALLY. Not so long ago as the Senator from Wisconsin. When I was a young country lawyer frequently we would be discussing decisions, and an older lawyer would say, "Have you looked at the statute? Have you gone back and looked at the statute instead of theorizing about so and so, and so and so?"

Mr. President, I think this is a good time for us to look at the statute a moment. I read from subdivision 4 of rule XVI:

No amendment which proposes general legislation shall be received to any general appropriation bill.

What does that mean? It does not say, "No amendment unless it is germane shall be received." It does not say "No amendment written in longhand shall be received," or "No amendment written on a typewriter shall be received," or that "No long amendment shall be received." It says, "No amendment which proposes general legislation shall be received to any general appro-

priation bill." That is pretty plain language. It says that no amendment, none, no kind of an amendment. Then it proceeds. If the rule were going to stop there, that would be one thing. But something is added:

Nor shall any amendment not germane or relevant to the subject matter contained in the bill be received.

That is wholly a different matter. That relates to the bill. If one offers an amendment, under subdivision 4 it has to be germane, under this pronouncement of the rule. When we vote on whether an amendment is germane, we are voting under that angle of the rule, not as to whether it is legislation, but whether it is germane. It is proper for the Chair to submit the question, and it is for the Senate to decide whether it is germane. But it does not decide whether or not it is legislation.

Nor—

Here is another "nor," meaning in addition to and different from the subject which went before, because it says "nor." It does not say "and."

Nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto.

Mr. President, in all frankness, it seems to me that there are two angles to this matter. First—and it is put first in the rule—the primary objective of that provision is to take care of legislation. First, is it legislation? Yes. Well, then it is out. That is what the rule says, "No amendment."

Of course, some of the rulings and decisions may have had some modifying effect on that; but I am going back to the rule, I am going back to the statute, I am going back to Blackstone.

No amendment which proposes general legislation shall be received to any general appropriation bill.

That is for the Chair to decide. It says further:

Nor shall any amendment not germane or relevant to the subject matter contained in the bill be received.

It may not violate the first section of the rule, but if it does not, it still has to be germane to the language to which it is offered, and that is what we voted on, as to whether it was germane or not.

I submit, Mr. President, that the appeal is in the interest of the maintenance of this rule. If a bare majority of the Senate can declare something germane and therefore make it in order when the rule says it is not in order, we turn the Senate over to the whim, the caprice, the momentary passion, and the momentary prejudice of its Members, instead of holding on to the rules and the regulations as the Senate has known them over the years.

Mr. HOLLAND. Mr. President, it is with great diffidence that I advance one thought which it seems to me has not been brought into the debate. I do so with the utmost of respect for the Presiding Officer, for the distinguished Senator from Georgia, and for others who have expressed a contrary view.

It seems to me it is wholly clear from reading the rule that there are two separate questions, the one of germaneness "to the subject matter contained in the bill," and the other the question of whether or not "general legislation shall be received" to an appropriation measure.

Mr. President, the sole point I wanted to make is that there is no identity or sameness at all between the question of whether the proposed amendment includes new legislation and the question of whether it is germane. The fact that those two questions are entirely different may be shown with complete conclusiveness when it is remembered that the amendment might have dealt with an appropriation which had already been authorized but which was not at all consistent with the subject matter of the bill, in this case the appropriation bill for ECA.

Suppose the amendment had suggested the inclusion in the bill of an appropriation for an authorized project of reclamation in the West; or an authorized project dealing with the Panama Canal; or a project, already authorized, for the building of a new Federal building at some place in this Nation, having no relation at all to the ECA. It could not be suggested that new legislation was proposed, because it would not be new legislation. The project would have been authorized already, wholly subject to appropriation at the proper time, but nevertheless it would not have been germane to the subject matter of the bill then under consideration. How could it be said, by the most extreme stretch of the imagination, that the fact that the Senate would have ruled in such a case that that measure was germane, even if it were not at all, could have been the same in any sense as a ruling that it was or was not proposed new legislation?

Mr. President, the two questions are entirely separate and distinct, and I support entirely the position taken by my distinguished colleague, the senior Senator from Florida [Mr. PEPPER], by the Senator from Texas [Mr. CONNALLY], by the majority leader, the Senator from Illinois [Mr. LUCAS], and by the senior Senator from Ohio [Mr. TAFT]. I think we would get into a very difficult and dangerous position, from which we would have tremendous difficulty in extricating the Senate in the future, if we should hold that the question of germaneness was the same question as whether or not new legislation was presented.

Mr. President, they are two separate and entirely distinct issues, and a ruling on the one does not in any way involve a ruling or expression upon the other.

Before closing, I want to say that I fully and completely support the position of my distinguished colleague to the effect that the question of germaneness is addressed, by a provision of the rule, to the discretion of the membership of the Senate, and the other one involves a complete exclusion of a certain field from proper legislation, subject only to the ruling of the Presiding Officer, and sub-

ject, of course, to the rule that the Senate can waive its rules by a two-thirds vote of the Senate.

Mr. FULBRIGHT. Mr. Senator, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. With regard to the point made by the Senator from Georgia that it is no defense on our part to say that we will be dominated by the House, is not the answer to that that we can strike anything the House puts in any bills? We do not have to accept what the House puts into bills. It is not necessary, is it, that we accept without an amendment anything the House puts into a bill? We are always at liberty to strike anything the House puts into a bill.

Mr. HOLLAND. The Senator is, of course, correct. By simple amendment, voted by a majority of the membership in attendance at any time such a matter can be stricken from the bill. But it is sought, by the ruling made by the distinguished Presiding Officer—and I say this with all respect to him—to hold a monstrous thing, namely, that the question of germaneness is the same question as the question of whether or not general legislation is proposed. The two things are as different as black is from white. They have no identity or sameness whatever.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. LONG. I should like to ask the Senator from Florida how he interprets the provision respecting germaneness. I have not heard it argued that this amendment was germane to any provision in the bill. It is my understanding that the House adopts legislation. The Senate only has the right to amend and change that legislation on an appropriation bill, insofar as the Senate amendment is germane to legislation inserted by the House. That would be my impression. In this case the House inserted certain general legislation. The Senate committee inserted other general legislation which had no relationship whatsoever to the House legislation. Now where is the germaneness between those two?

Mr. HOLLAND. In answer to the Senator from Louisiana the junior Senator from Florida would simply say that his understanding is that the question of germaneness is limited by the words in the rule "germane or relevant to the subject matter contained in the bill." That would mean the subject matter contained in the bill as it reaches the Senate.

Mr. LONG. Does the Senator see any subject matter in this bill that contains any germaneness to the amendment offered by the Senate committee?

Mr. HOLLAND. That is a question which has been decided by the majority of the Senate, and differently from the way the junior Senator from Florida would decide it.

The point I make, which is completely fundamental to the debate now taking place, which we must recognize if we are to give force and effect to the words and ideas in the rule, is that germaneness is not the same thing at all as the question

of whether or not new general legislation is involved. They are two separate items, two separate and distinct objectives, dealt with in a separate and distinct way under the rule, and we would, I think, creep into fundamental error which would be most mischievous in the future, if we should hold that the mere voting that a proposed amendment was germane would mean that the Senate was then and thereby excluding itself from consideration of the other question, and depriving its presiding officer of jurisdiction to pass upon a mandatory requirement of a rule which in the interests of sound legislation provides that no new legislation can be engrafted upon an appropriation bill.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. MAGNUSON. The senior Senator from Georgia made the point, as did the Senator from Arkansas, that if the ruling of the Chair was not sustained we would put ourselves in a position where we would be helpless to consider or to change House legislation which was put in an appropriation bill contrary to the House rules, with which I am familiar. Is not the fact that this legislation is before us, and was not knocked out by the House, probably the best reason not to have such a ruling as suggested here today? Otherwise the House will legislate contrary to its rules, and we, in the Appropriations Committee, will legislate contrary to our historic rules, and so the two committees will become two legislative committees.

I express this point: Why is it not the duty of the Senate Appropriations Committee, instead of trying to sustain such a rule, to protect themselves against House legislation that is contrary to House rules, long standing House rules? Why do they not knock out legislation which the House sends to the Senate on an appropriation bill, which is contrary to the rules of both Houses, that can be done in committee?

Mr. HOLLAND. If the remarks of the Senator are posed as a question I would simply say that I think the complete answer is that the Senate has the power at any time during the consideration on the floor—

Mr. MAGNUSON. Or in the committee.

Mr. HOLLAND. On bills coming from the House, or any other bill, to strike out words in a bill which it does not wish to have remain in the bill, whether it thinks that those words were placed in it in violation of the rule, or whether those words simply do not comport with the thinking of the majority of the Senate. The Senate has the complete right, of course, to change the phraseology of the bill during the course of its consideration.

Mr. RUSSELL. Mr. President, I speak with some trepidation after the arguments made by the distinguished Senator from Texas [Mr. CONNALLY] and the distinguished junior Senator from Florida. I would not speak on this occasion were it not for the precedents involved in this matter and my familiarity with them.

This is no new question in the Senate, Mr. President. It has been before this body on numerous other occasions. I happen to recall that in 1943 there was pending before the Senate the agricultural appropriation bill. As the chairman of the Subcommittee on Agricultural Appropriations, I was entrusted with the responsibility of handling that bill on the floor. I have just glanced briefly through the RECORD of the debate which then took place and of the points of order which were made at that time, and the parallel between the two cases is very striking. The Senator from Ohio [Mr. TAFT] has not changed his mind. He made exactly the same argument in 1943 that he has made upon the floor of the Senate today with respect to legislation on an appropriation bill.

The Senate on that occasion sustained the ruling of the Chair by a vote of 54 to 23, after discussion of the rules which covered one whole day's time.

Mr. President, with all due deference to those who have spoken on subdivision 4 of rule XVI, it very clearly covers two separate and distinct situations. The first sentence of the rule, which the Senator from Texas emphasized so eloquently, and with such force, provides that "no amendment which proposes general legislation shall be received to any general appropriation bill." That language is tied in with the argument that was made by the Senator from Illinois about the two-thirds rule. If a general appropriation bill comes before this body with no legislation in it, any amendment offered that contains any legislation falls under the inhibitions of the first sentence of subdivision 4 of rule XVI. It is subject to a point of order. The Chair would sustain it.

The only way the Senate can possibly consider it is on a motion to suspend the rule, which requires a two-thirds vote, that is, if legislative matters are offered de novo in the Senate of the United States. But if legislation be found in the bill which comes to the Senate from the House of Representatives, the first line of the rule, relating to general legislation and making it subject to a ruling of the Chair which would strike it down, and therefore require the operation of the two-thirds rule, does not apply. If there is legislation in the bill as it comes from the House, then the sole question that confronts the Senate of the United States when an effort is made to amend the House provision, is, first: "Has the House legislated in this bill?" Second: "Is the amendment which is offered in the Senate germane to the House legislative provision?"

Mr. President, no one would contend that the House has not legislated in this bill, not merely in small degree; but the House of Representatives sent this bill to the Senate shot through and through with legislative provisions. As a matter of fact, the greater part of the bill is purely legislative. It comes to us in that condition.

Now what are the Senate's rights in the matter? Can we not even offer any legislative amendment to the bill?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FULBRIGHT. That is the very point that interests me. Does not the Senate have the right to strike all the language of the bill as it comes from the House?

Mr. RUSSELL. Yes.

Mr. FULBRIGHT. Can we not strike the whole bill and rewrite it?

Mr. RUSSELL. Of course, we can. If the Senate merely wishes to say, "We are going to content ourselves with taking out legislative provisions that the House has put in," we could do it. The committee could do it if sustained by the Senate. But sometimes it is highly desirable to have some legislation in an appropriation bill, and it happens in this case that some of these provisions are of tremendous importance to the ECA.

Mr. FULBRIGHT. Why were they not placed in legislation which was recently considered on that subject?

Mr. RUSSELL. I cannot answer that question.

Mr. FULBRIGHT. The purpose of the rule is to have legislation placed in a legislative bill, rather than in an appropriation bill.

Mr. RUSSELL. Yes, but without legislation in this bill the ECA would be terribly handicapped. The House went so far as to legislate and say that the whole \$3,568,000,000 could be spent over a period of ten and a half months. It is purely legislation. It repeals laws that require the appropriations to be apportioned over a period of 12 months. It says the funds can be spent in ten months.

Mr. FULBRIGHT. Mr. President, if the Senator is correct, it seems to me we might as well eliminate the Foreign Relations Committee and set aside all that it has reported to us.

Mr. RUSSELL. Mr. President, I hope the Senator from Arkansas does not take anything I have said as a reflection on the Foreign Relations Committee. If there is any reflection on that committee, the Senator from Arkansas makes it himself, because he is saying that these things should have been provided for in the authorization for the ECA.

I am saying that the Economic Cooperation Administration, after examining all the administrative provisions enacted for its guidance, found they were insufficient, and went to the House of Representatives and requested these legislative provisions, and the House placed them in the bill. Whether they should have been handled by some committee other than the Appropriations Committee, I shall not undertake to discuss. But they now are before us in an appropriation bill.

Mr. FULBRIGHT. Of course, I do not wish to cast any reflection upon either committee. However, the logical result of the argument that there is no limit upon this power is certainly that it does away with the necessity for any legislative committee in this connection.

Mr. RUSSELL. Mr. President, I would be the last to argue that there is no limit on the power. Without a rule in the House of Representatives, a point of order would have stripped the bill of all these provisions.

I am not too familiar with the rules and practices of the House of Representatives, but I understand that if the House Committee on Rules gives a rule that is not subject to points of order, then a point of order cannot be made. Undoubtedly that was done in this case.

But whatever the reasons, the bill comes before the Senate with these legislative provisions. They were not stricken out in the House of Representatives on a point of order; and after they have passed the House, I do not believe a point of order can be raised against them in the Senate, because this matter comes to us from the other body, and we undertake to respect the rights of the other body.

So, whether they are for good or for evil, the legislative provisions are here. They were inserted by the House.

As I have understood the matter, we have only two things to decide. The first is whether these provisions are legislation. The other is whether the amendment offered by the Senator from Arkansas is germane to the legislative provisions which came to us in the bill as passed by the House. That matter might be debated.

I do not like again to undertake to canvass this entire subject and to show where these provisions are germane, after the Senate by vote has already determined that they are germane. I thought they were germane, and for that reason I supported the amendment.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. Yes; if the Senator will indulge me for a moment further.

In supporting the proposition that the amendment is germane, no Senator is committed to vote for the amendment. The distinguished Senator from Virginia, who voted that the amendment was germane, suggests that he will oppose the amendment, and I am glad to state that he opposed it most vigorously in the committee.

Now I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, since I think the Senate has taken a very bad step in ruling that this amendment is germane, will the Senator tell me in what way he considers it germane?

Mr. RUSSELL. I shall be glad to do so. I think the Senate should have some leeway in determining the germaneness of matters sent to it by the House of Representatives in an appropriation bill. According to the House provision, \$3,568,470,000 can be exchanged by the Administrator, without regard to section 3651 of the Revised Statutes, to pay out of these funds any losses incurred by the exchange. There is no legislative restriction on it. That is a legislative matter relating to the entire appropriation. It gives the Administrator new powers, by legislation in an appropriation bill, powers that are not mentioned in the authorization bill for the ECA.

Mr. McKELLAR. Or anywhere else.

Mr. RUSSELL. It is neither in the ECA law or in any other law. But insofar as this act is concerned, it specifically repeals any other law, and of course that

makes it legislation, entirely apart from the funds covered by this bill.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BREWSTER. I shall not make an argument about the amendment and the rule as applied to the amendment, inasmuch as very many wise men, Members of the Senate, have spoken about this matter. However, I have been impressed with the suggestion that this would confer an enormous and very dangerous power on the Senate because the Senate might determine the matter in almost any way it chose, and then Government might be in pandemonium.

In this connection, I should like to repeat some words of the late Senator Walsh, of Montana, whom I am sure all of us respect and honor. With regard to the question of legislation, he said:

If a power is to be denied because it may be abused, government must cease.

It seems to me that has a certain relevancy here, when it is charged that if this power is lodged in the Senate, the power may be abused. Obviously the power must be lodged in men, and obviously men may abuse the powers given them. But if for that reason the power is to be denied, then government must cease.

It seems to me we must consider that point when we determine whether to sustain the ruling made by the Chair and when we consider the question of whether this power should be lodged in the Members of the Senate of the United States.

Mr. RUSSELL. Mr. President, I thank the Senator from Maine for his contribution.

The other provision of this bill which writes entirely new legislation, which undertakes to earmark a part of the specific appropriation to which the committee amendment relates, is the House provision setting up \$500,000 of this fund for—

Expenditures of a confidential character * * * under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

Mr. President, every line and every word I have just read is legislation. It is not to be found in the original ECA Act. It takes from this same fund \$500,000 and earmarks it for a specific purpose, and it does so by means of bald legislation.

I think it could be argued with great force that the amendment proposed in the committee by the Senator from Arkansas is not legislation because it is a limitation upon an appropriation in a very strong sense of the word. In debating the question of the propriety of the Chair's ruling, I do not wish to be put into the position of conceding that the amendment is legislation in the first instance, because it merely limits a part of the funds provided under the budget estimates. I do not think it was legislation in the first instance; but, of course, for the purpose of this argument

and this debate, I have to concede the point the Senator has made, namely, that it is legislation.

Mr. President, as I have said, this rule relates to several entirely separate propositions. One of them is where legislation is offered *de novo*. The second and third lines on this page relate to amendments which are offered as legislation, and the question is whether they are germane.

Mr. LONG. Mr. President, will the Senator yield at this point?

Mr. RUSSELL. I yield.

Mr. LONG. Does the Senator from Georgia see any germaneness between the amendment the committee has here offered and the legislation which was inserted in the bill by the House of Representatives?

Mr. RUSSELL. Of course, Mr. President, I understood the argument made by the distinguished Senator from Florida, who took the position that inasmuch as the House has legislated in regard to the \$500,000, which has been earmarked for confidential purposes, we are confined in our deliberations, as a coequal body in the Congress of the United States, to dealing with the same matter which the House wrote into the measure. However, I shall never concede that the Senate is so circumscribed in its power.

Mr. LONG. Is it not true that although we are not limited, yet we must act within the limitations of our own rule which says we must vote to sustain a point of order as to legislation on an appropriation bill?

Mr. RUSSELL. Of course, Mr. President, the question of germaneness is something which every Senator must pass upon for himself, subject to the dictates of his own wisdom and his own conscience.

In my judgment, this amendment is germane because there are in the bill as passed by the House two legislative provisions which directly affect and control the expenditure of this part of the appropriation. The Senate provision likewise would influence and control the expenditure of this part.

If I may continue for a few moments, let me say there are some Members of the Senate who still recall the services of the former distinguished Senator La Follette, of Wisconsin. In my judgment, a finer parliamentarian than the distinguished Senator La Follette never served in this body.

When this identical issue was previously before the Senate, as appears on page 5546 of the CONGRESSIONAL RECORD of June 9, 1943, Senator La Follette discussed this matter at some length. After urging the Senators to dissociate themselves from the mere merits of the amendment involved, and to make their decision on the appeal from the decision of the Chair on the parliamentary situation which was presented to the Senate, he said:

The issue at stake is the question of whether or not the Senate shall maintain its unbroken precedents holding that it has the right to explore any field of general legislation which the House of Representatives may have entered. That, Mr. President, is a vital question; it is a question of great, extreme

importance as affecting the power of the Senate.

Senator La Follette argued the matter at some length, saying that where the House of Representatives had legislated the Senate had the power to invade that field. He did not say the Senate had to work the exact row that was hoed by the House of Representatives, but he said the Senate had the power to invade the entire field.

Mr. President, the House of Representatives has dealt with two matters which vitally affect the expenditure of these funds; and I insist that under the rules the Senate has a right to deal with the expenditure of the funds, and that the decision of the Senate in declaring the amendment to be germane should be adhered to.

Of course, Mr. President, the question of the decision as to the germaneness of this amendment to legislation already in the bill places the distinguished President of the Senate in a position where the only ruling he could possibly make, as he has properly done, was to the effect that the question of whether it is legislation has now nothing to do with it.

The question was never raised, or was never seriously argued, that the House did not legislate in the bill. That is generally conceded. That led to one issue in regard to the amendment, as to whether it was germane. I may say to the distinguished Vice President, it so happens that in 1943 almost the same issue arose as to whether the proponents of an amendment could insist that it was germane to a provision of the House bill, and the parliamentary rulings and the discussion of the subject cover some 40 or 50 pages of the CONGRESSIONAL RECORD.

We should, Mr. President, as was said by the Senator from Wisconsin on that occasion, forget our personal prejudices and vote in conformity with the precedents of the Senate, and to vote to sustain the right of the Senate—as a coequal body in our scheme of Government to deal with these matters to the same degree the House has dealt with them.

Mr. LONG. Mr. President, it occurs to me, so far as the Senate being a coequal body with the House is concerned, we can simply change our method as to how we shall handle appropriation bills and have no limitation so far as the two-thirds requirement is concerned. We have that right, but we have not chosen to exercise it.

Mr. RUSSELL. Of course, the two-thirds rule was never intended to apply to conditions as they are today. The two-thirds rule was written specifically to permit the Senate, if it wished, in derogation of its own rules, to insert legislation in a general appropriation bill. It has no relation whatever to such a situation as confronts the Senate at this time.

Mr. President, some Members have spoken somewhat disparagingly of the efforts of the Committee on Appropriations. I have been a member of that committee for something like 16 years. I have found that when the Appropriations Committee agrees with a Senator, it is a very fine committee. If it hap-

pens to take any action contrary to the views of the individual Senator, the committee is most likely to be roundly abused for arrogating to itself such broad power. The Senate Appropriations Committee is said to be undertaking to set the policy of the Government of the United States, in case where the action of the committee happens to be contrary to the opinion of the individual Senator. But I merely want to point out, Mr. President, that the Senate Appropriations Committee is a creature of the Senate, just as is every other committee of this body. The Senate Appropriations Committee can write no law. It cannot even appropriate any funds. It comes back to the Senate of the United States, and every action taken by the committee must be reviewed on the floor of this body. As to whether the committee has acted wrongly or rightly is a question to be worked out under the rules of the Senate, just as the action of any other committee is to be reviewed by the Senate of the United States.

True, indeed, there are special rules that apply to the Committee on Appropriations, rules which limit and restrict the committee much more than in the case of any other committee of the Senate, and properly so, because standing committees should preserve their powers and prerogatives. After all, the Senate Appropriations Committee can do nothing without the approval of a majority of the Members of this body.

Mr. STENNIS. Mr. President, will the Senator yield for a moment at that point?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. RUSSELL. I yield.

Mr. STENNIS. I am very much interested in what the Senator is saying. Unfortunately I have been called out of the Chamber once or twice. As I understand, the Senator makes a very decided distinction between legislation *de novo* in the Senate side of the Capitol, and a situation in which we have legislation coming from the House.

Mr. RUSSELL. No, Mr. President; I only emphasize the distinction. The distinction has been made in the Senate since its earliest days, since the infancy of the Republic, and I doubt not that the Parliamentarian of the Senate could show the distinguished Senator from Mississippi innumerable cases which confirm every word I said, that rule XVI applies to two propositions, and applies to them separately. It applies in one instance to legislation *de novo* and in another to amendments which are offered to legislative provisions coming from the House.

Mr. STENNIS. That is the point I want to make. Of course the Senator from Georgia can see that point clearly, and he makes a strong argument. But the Senator does have an unbroken line of precedents sustaining his position, does he not?

Mr. RUSSELL. There is no question about that. I read the language of Senator La Follette for the purpose of emphasis, and I point out that on the same occasion, June 9, 1943, the Senate made

identically the same exception, distinguishing between an amendment to a legislative provision in a House bill, and a general legislative proposition. It is very clear.

Mr. STENNIS. I wish to thank the Senator.

Mr. RUSSELL. Mr. President, I wish now to address myself very briefly to another suggestion which has been made here. Senators have said the ruling of the Chair sets a terrible precedent, and they look over to those of us who happen to hail from the southern part of the United States, who are opposed to some of the so-called civil-rights legislation. They intimate that it will be used as a precedent to pass all the civil-rights legislation on appropriation bills. Mr. President, I intend to express my views as a Senator. I feel impelled to do so without regard to the consequences, and I do not yield very readily to such implied threats as are carried in that suggestion. Of course the majority of the Senate of the United States in the last analysis can do whatever it wants to do. If a majority of the Senate were so corrupt, so devoid of any sense of honor or any instinct of patriotism as to desire to do so, they could fraudulently change the records of the Senate and make it appear that an amendment to the Constitution of the United States had been submitted to the States without the required two-thirds vote. Why undertake to frighten people with that argument, Mr. President? If the Chair ruled that a measure of the character referred to was legislation and should not be received as an addition to the appropriation bill, the majority of this body of course, if it were so devoid of conscience or reason or of principle or of the instincts of manhood, could override the decision of the Chair and by a simple majority could append such legislation to a general appropriation bill or to any other bill. There is no rule of germaneness that affects other legislation, and so amendments could be offered to them without even raising the point, if Senators saw fit to stoop to such depths as that, to take such unconscionable action as that, and to be guilty of conduct that would be so unworthy of one privileged to sit as a Senator in this Hall.

Mr. President, in my view, the ruling of the Chair was eminently correct, and if the Senate sees fit to overrule the decision of the Chair, it is reversing all the precedents of this body since the time of the writing of the Manual by Thomas Jefferson. There has always been a distinction between legislation offered in the first instance to an appropriation bill and legislation offered to amend legislation that is already contained in a House bill.

Of course, we have no rule of relevancy as to legislative measures that are reported by other committees. The opinion of the Chair should be sustained. If I were to venture into the realm of fancy I could imagine the Chair disliked very much to make the ruling he made, because he indicated by some of his gestures and by his words and by little mannerisms, which is about as far as the Vice President can go in expressing his opinion, that he would have liked very

much to be rid of this particular amendment. But he has done his duty as he saw it. He has made this ruling, based upon parliamentary law and the precedents of the Senate. Without regard to our views on the instant amendment, or its merits, as a parliamentary matter, it is the duty of the Senate to sustain the ruling of the Chair.

Mr. FERGUSON. Mr. President, if this matter were not so important to the Senate, in the opinion of the Senator from Michigan, he would not rise to address the Senate. But the precedents of the Senate are important. I have said on this floor before that the Senate can deliberately set aside its precedents if it desires to do so. That is the province of the Senate, and I think it is well that it is so. But I believe we ought to weigh well what we are doing.

I have great difficulty in following the ruling of the Chair, based on the words of the fourth paragraph of rule XVI, that the vote on the question of germaneness settled the question of the amendment being general legislation. In my opinion a reading of paragraph four of rule XVI will not sustain the ruling of the Chair. But I made a deeper search to ascertain whether there were some precedents which in effect amended and added to rule XVI, paragraph 4, and I believe that I find that to be the case. It has been said that all amendments proposing general legislation on an appropriation bill must have a two-thirds vote in order to be adopted. A reading of rule XVI, paragraph 4, discloses no such requirement. It is only by virtue of a precedent, which is read into rule XVI, that a two-thirds vote is required.

There is no mention, for instance, in rule XL, that a two-thirds vote is required. It would be well to read the rule, because these questions arise in the Senate from time to time:

Rule XL. No motion to suspend, modify, or amend any rule, or any part thereof, shall be in order, except on 1 day's notice in writing, specifying precisely the rule or part proposed to be suspended, modified, or amended, and the purpose thereof. Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, rule XII.

So there is no two-thirds vote requirement by virtue of rule XVI. It is only by virtue of the precedents of the Senate that a two-thirds vote is required to suspend a rule. So I take for granted that if we are going to say that the two-thirds vote rule is inviolate, we should be very careful to see that no other precedent of equal dignity and importance, or which is equal in age, should be set aside. Why do I say that? Because I find that in 1936 this very question was before the Senate of the United States. I think we should go back and see what was ruled in 1936. I think we should be careful in the Senate to vote on merit rather than through emotion. It is not how I feel about the amendment offered by the Senator from Arkansas that is important. I may feel that I should vote against it when it comes up. I may feel that I would rather have it so that a two-thirds rule would be required to defeat it, because that would be on the

side on which I wanted to vote, and therefore my vote would be more important in defeating it under a two-thirds vote requirement. But, Mr. President, we are dealing here with precedents of the Senate, and I say that if we deliberately overrule what the Chair had decided, we are doing the same thing we would do if we were to overrule him when he said a two-thirds vote was necessary, because precedents are involved other than the written rules of the Senate.

So, Mr. President, I want to go back and see what happened in 1936:

On May 29, 1936, the Senate had under consideration H. R. 12624, a deficiency appropriation bill, and the question was on agreeing to a reported amendment inserting a provision that no Federal project should be undertaken or prosecuted with funds provided in the bill unless and until an amount sufficient for its completion had been allocated and set aside therefor, and the President was authorized to restore to the Federal Administrator of Public Works out of the funds appropriated in said bill any sums which were, by order of the President, impounded or transferred to the Federal Emergency Relief Administration from appropriations theretofore made and allocated to public-works projects.

Mr. Robinson of Arkansas—

A predecessor of the able Senators from Arkansas—

proposed an amendment providing for the appointment of two boards—(1) the Florida Canal Board, and (2) the Passamaquoddy Board, which should review, respectively, the Atlantic-Gulf ship-canal project, Florida, and the Passamaquoddy tidal-power project, Maine; and prescribing certain duties of the said boards.

Mr. Adams made the point of order that the amendment proposed general legislation, that it was not germane to the reported amendment, and that it was therefore not in order.

Mr. Clark made the point of order that the amendment was general legislation, and under rule XVI, was not in order.

The Presiding Officer (Mr. Hatch) overruled the point of order made by Mr. Clark, from which ruling Mr. Clark took an appeal.

After a quorum call, the Presiding Officer made the following statement:

"The Senator from Missouri [Mr. Clark] made the point of order that the committee amendment amounted to general legislation. The Chair overruled the point of order made by the Senator from Missouri because title II"—

That is the whole title of this appropriation bill—

"because title II of the bill as it came from the House of Representatives contained many matters of general legislation, and in such a case the rule laid down by Vice President Marshall is stated thus"—

Here is where we get the precedent. It is stated by Vice President Marshall. I have checked with the Parliamentarian and he tells me there are many other precedents to the same effect, or I would not be here quoting only one precedent. I quote the rule as stated by Vice President Marshall:

"Notwithstanding the rule of the Senate to the effect that general legislation may not be attached to an appropriation bill, still when the House of Representatives opens the door and proceeds to enter upon a field of general legislation which has to do with a subject of this character, the Chair is going to rule—but, of course, the Senate can reverse the ruling of the Chair—that the House having opened the door, the Senate of the

United States can walk in through the door and pursue the field.'"

It appears to the junior Senator from Michigan that that is a precedent, based on other and prior precedents, which is in accordance with what the Chair has ruled today. No; it is not in rule XVI, section 4; neither is the two-thirds rule to which I have referred, in relation to voting on general legislation.

What happened there is just about what is happening here. I read further:

In view of that ruling, the Chair announced that the point of order made by the Senator from Missouri was overruled. From the ruling of the Chair the Senator from Missouri has appealed to the Senate.

That is what the Chair has done today. He has overruled the point of order, saying that it is not general legislation because it applies to legislation in the House bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. TAFT. I did not understand the Chair to say that. He said that, in his opinion, it was general legislation, but because the Senate had voted it was a germane provision, he would overrule the point of order of the Senator from Illinois. He did not put it on the ground that the House had opened the matter. The whole basis was on the fact that the Senate had voted it was a germane amendment, which to my mind, has nothing whatever to do with the question of whether the House put legislation into an appropriation bill or did not put it in, or whether it is general legislation or is not general legislation.

Mr. FERGUSON. I hope I have not misquoted the Vice President; but if I have misquoted him, I will go back to what he ruled. After all, we have become accustomed to following rulings rather than just what was said in connection with the ruling.

I take it that what happened this morning happened in the case to which I have been referring. I read:

In view of that ruling, the Chair announced that the point of order made by the Senator from Missouri was overruled. From the ruling of the Chair the Senator from Missouri has appealed to the Senate.

That is what is being done here today.

The decision of the Chair was sustained: Yeas 53, nays 19.

In regard to the point of order made by Mr. Adams against Mr. Robinson's amendment, the Vice President stated that, under the rule, the Chair did not have the right to determine the germaneness of an amendment, and thereupon submitted this question to the Senate, which decided the amendment was germane: Yeas 53, nays 21.

That will be found, Mr. President, in the Senate Journal, Seventy-fourth Congress, second session, page 333.

So I say to the Senate that we have before us a rule which has been varied and changed by precedent—or let me say that the precedent existed even with the adoption of the rule, and it has been followed since the adoption of the rule. So we find ourselves with a rule which appears to be that if an amendment is to House legislation—and that is what the Chair has ruled—then it does not re-

quire a two-thirds vote, but merely a majority vote.

Mr. President, as I said before, we always find some jealousy in the Senate on the part of one committee as against another. We hear the Appropriations Committee criticised because it is trying to take over the jurisdiction of the entire Senate. Being a member of the Senate Appropriations Committee, let me say that not only do we not take over the jurisdiction of other committees of the Senate, but the other committees authorize appropriations before we can even vote on them.

Do other committees ever seek to take away the power of the Committee on Appropriations? Let me cite one example of which I spoke yesterday. Last May a committee, not the Appropriations Committee, authorized Mr. Hoffman to use a billion dollars borrowed from the Reconstruction Finance Corporation. That was to all intents and purposes appropriating a billion dollars, because what could the Committee on Appropriations do when it came before it? Certainly we always find that one committee will take some jurisdiction, or think it is taking some jurisdiction, from other committees. But, after all, the Senate does not have to accept what the committees do. The Senate makes the laws by its votes, rather than from a consideration of whether a matter came from a committee unanimously or by a vote of just one majority. A committee does not make legislation because it reports a bill unanimously. The Senate must vote.

As I said, Mr. President, when I rose, I believe it is very vital whether or not we are to follow precedents, or are to vote to set them aside, and from today on feel that we have a new precedent, to the effect that in case the House does legislate we in the Committee on Appropriations cannot hold hearings and vary a bill so as to come before the Senate with an amendment and have it acted on under the two-thirds rule. As I said before, I believe that the two-thirds rule is more sacred than the precedents which we are discussing here today, that the Committee on Appropriations has a right to amend an appropriation that comes from the House in an appropriation bill, and the Senate has a right to vote on it.

Mr. LONG. Mr. President, I wish to say only a few words on the subject before the Senate. Frankly, I believe I can speak without prejudice on it, because I am in favor of the substance of the amendment which we are considering. If the amendment of the Senator from Arkansas comes up for a vote, I propose to vote for it. I believe it is a good amendment. But we are to decide what the rules mean, and I am attempting to decide on what I believe the rules mean to me.

As I read rule XVI, subsection 4, I find that it provides:

No amendment which proposes general legislation shall be received to any general appropriation bill.

At that point there is a comma, and for the purpose of that part of the rule I believe we could stop right there, because everything else deals with germane

amendments to appropriation bills, involving the question whether an amendment is germane or not, dealing with matters which are not legislation on an appropriation bill. We could stop right there.

No amendment which proposes general legislation shall be received to any general appropriation bill.

If we assume for one moment that the amendment of the Senator from Arkansas is legislation of this character, then we immediately have to concede that it shall not be received to an appropriation bill, under the rule. From there on we go into the subject of germaneness, and in that connection I wish to say that I believe that the matter of germaneness is an entirely different proposition from the question of whether it is legislative.

Then the rule proceeds:

Nor shall any amendment not germane or relevant to the subject matter contained in the bill be received.

Mr. President, that is very plain. One may desire to amend an appropriation bill, not in a legislative matter, but may want to modify the manner in which the money is to be allocated or may want to change the amount.

If the amendment is not legislation, it must necessarily be germane, otherwise it could not be received.

From that point the rule proceeds:

Nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto.

Let us look at that clause again:

Nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto.

Here we come to a situation which in my opinion is before us now. We have an amendment which is legislative in character. It is amending a section in which the House has already inserted general legislation. Let us see what the rule says:

Nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto.

We are amending a bill which the House has passed. What is the relationship between the amendment we are proposing and any legislative matter which the House is proposing? I see no relationship whatsoever so far as those such items are concerned. Therefore, Mr. President, I am constrained to believe that this amendment is legislation, and that the legislation is not germane to the legislation proposed by the House in this appropriation bill. Under this rule I believe we are permitted to modify and amend legislative amendments proposed by the House insofar as our legislative amendments are germane to the House amendments, but not to the extent that our amendments may be germane to any appropriations item in an entire general appropriations bill. Otherwise the Appropriations Committee, could completely take over the functions of the Armed Services Committee, for example, if the House inserted one minor legislative amendment in a general appropriations bill for all the armed forces.

I cannot reach the conclusion that this amendment is not legislative or that it

is germane to any legislative provision in the bill to which my attention has been directed. It is true that this is a bill appropriating money for the European recovery program. The House legislative amendments do relate to the European recovery program which we propose to amend. But, we are now offered legislative amendments which although germane to the general appropriation bill are not related to the legislative amendments inserted by the House. Therefore, it would seem to me that the amendment is in violation of our rules, and that it is not germane to the legislation which has been inserted in the bill—and I am thinking of House provisions which are legislative in character. On the other hand, the committee amendment is legislation. So it would appear to me that it is absolutely in violation of the rules.

We have the right to suspend the Senate rules, we have the right to change them, and we have the right to insert new matter if we see fit, but it seems to me that we need a two-thirds majority to suspend the rules in order to insert such legislation as is proposed.

The VICE PRESIDENT. The question is on the appeal of the Senator from Ohio [Mr. TAFT] from the decision of the Chair.

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Morse
Anderson	Hill	Mundt
Baldwin	Hoey	Murray
Brewster	Holland	Myers
Bricker	Hunt	Neely
Bridges	Ives	O'Connor
Butler	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Cain	Johnson, Tex.	Robertson
Capehart	Johnston, S. C.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kern	Schoeppel
Cordon	Kerr	Smith, Maine
Donnell	Kilgore	Sparkman
Douglas	Knowland	Stennis
Downey	Langer	Taft
Dulles	Lodge	Taylor
Eaton	Long	Thomas, Okla.
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tobey
Frear	McClellan	Tydings
Fulbright	McGrath	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Magnuson	Wiley
Green	Martin	Williams
Gurney	Maybank	Withers
Hayden	Miller	Young
Hendrickson	Millikin	

The question is on the appeal of the Senator from Ohio [Mr. TAFT] from the decision of the Chair overruling the point of order made by the Senator from Illinois [Mr. LUCAS].

Mr. McKELLAR. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CORDON. Mr. President, I am not going to delay the Senate for more than a moment or so. I should like to call attention to exactly what the Senate is doing when it votes on the appeal. Preliminary thereto I wish to address a parliamentary inquiry to the Chair.

The VICE PRESIDENT. The Senator will state it.

Mr. CONDON. If by the vote on the appeal the Chair is overruled in his position, then the effect of that vote will be to sustain the point of order made by the majority leader, and the decision of the Senate will have been that the so-called McClellan amendment is general legislation, and subject to the point of order?

The VICE PRESIDENT. If the decision of the Chair is overruled by the Senate, it will be equivalent to holding that the Chair was wrong in deciding that the point of order was not well taken and in overruling the point of order.

Mr. CORDON. And in that event the effect will be that the Senate has said that the amendment is legislation in an appropriation bill, and must come out of the bill, or go to a vote after two-thirds of the Senators present have set aside the rule?

The VICE PRESIDENT. The Chair thinks that that is substantially the effect of the vote of the Senate to overrule the decision of the Chair.

Mr. CORDON. Mr. President, as I have heard the argument on appeal, it is addressed not to the question of whether the amendment is legislation, but as to the correctness of the Chair's ruling on what is really a question of what application we shall make as to the provisions of paragraph 4 of rule XVI, which, first, prohibit general legislation as an amendment to an appropriation bill, and, second, legislation which is not germane to the bill.

Frankly, in my view, the Chair was wrong in his reasoning, if I may be so bold as to make the statement. But as to his decision the Chair was correct.

I call attention to the fact that the action taken in overruling the decision of the chair is a finding that the McClellan amendment is generally legislation on an appropriation bill. That is wholly separate and apart and has nothing to do with the question of whether a decision of germaneness carries with it a prohibition against bringing up the question of whether the same amendment is general legislation. They are two separate questions. So I simply call the attention of the Members of the Senate to the fact that when they vote on the appeal they are voting on the substantive proposition of whether the McClellan amendment is or is not legislation.

I call attention, Mr. President, to paragraphs 2 and 4 of rule XVI, wherein there is a prohibition against any amendment in the nature of a restriction upon an appropriation, but that the prohibition goes only to such restriction when the restriction comes into effect only upon the happening of some contingency. There is no prohibition against a restriction on an appropriation when it is absolute. The McClellan amendment is a restriction upon the use of appropriated funds. There is no contingency. The McClellan amendment simply restricts a certain portion of the money to a special use, or to no use if it be not used for that purpose. That is as far as it goes. Under those circumstances I hope the Senate will sustain the Chair. For that reason, and without reference to any question whether germaneness forecloses the other question of legislation upon an

appropriation bill, I think the decision of the Chair should be sustained.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I correct in my understanding of the parliamentary situation that the question before the Senate is, Shall the decision of the Chair be sustained? A vote for sustaining the decision of the Chair is a "yea" vote, and a vote to overrule the decision of the Chair is a "nay" vote.

The VICE PRESIDENT. The Senator is correct.

In view of the importance of this vote, and the entire question, and without in any way arguing in behalf of his decision, the Chair feels that he ought to explain to the Senate what it is he decided.

Under the rule the question of germaneness may be brought up with respect to an amendment which does not contain legislation. The question of germaneness can be brought up on any amendment, in which case it must be submitted to the Senate for a decision.

Surrounding this particular amendment there are two questions, the question of germaneness and the question whether it is legislation on an appropriation bill. The ruling of the Chair was based upon interpretations of rule XVI, paragraph 4, over a period of years, which have modified the rule, just as decisions of courts modify statutes in many cases by interpretation.

At the time the Senate voted on the question of germaneness, the Chair felt that it was voting whether, notwithstanding the quality of the amendment as legislation, it was nevertheless germane and therefore in order. In a sense it was a sort of double-barreled vote—that it was germane, but legislation, apparently amending other legislative provisions of the bill. The Chair assumed that the Senate knew what it was doing when it voted that this amendment was germane, involving the question of legislation. That question having been passed upon by the vote of the Senate, the Senate recognizing the legislative character of the amendment, and having sustained its germaneness notwithstanding that character, the Chair therefore felt that subsequently a point of order on the ground that it was legislation did not lie. That was the basis of the Chair's decision.

The question is, Shall the ruling of the Chair stand as the judgment of the Senate? Senators who are in favor of sustaining the ruling of the Chair will vote "yea." Senators who are in favor of overruling the decision of the Chair will vote "nay."

The Secretary will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted "nay," when his name was called.

Mr. LONG. Mr. President, has it ever been decided that this amendment is actually general legislation?

The VICE PRESIDENT. The roll call is in progress. One Senator having voted, the question is not now open for discussion.

The roll call will proceed.

The legislative clerk resumed and concluded the calling of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Arizona [Mr. McFARLAND] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Nevada [Mr. MALONE] is detained on official business.

The result was—yeas 38, nays 51, as follows:

YEAS—38

Baldwin	Hickenlooper	Millikin
Brewster	Hoey	Mundt
Bricker	Hunt	Robertson
Bridges	Jenner	Russell
Butler	Johnson, Colo.	Schoeppel
Cain	Johnston, S. C.	Smith, Maine
Capehart	Kem	Stennis
Chapman	McCarran	Thomas, Okla.
Cordon	McCarthy	Wherry
Eaton	McClellan	Wiley
Ellender	McKellar	Williams
Ferguson	Martin	Young
George	Maybank	

NAYS—51

Aiken	Hill	Murray
Anderson	Holland	Myers
Byrd	Ives	Neely
Connally	Johnson, Tex.	O'Connor
Donnell	Kefauver	O'Mahoney
Douglas	Kerr	Pepper
Downey	Kilgore	Saltonstall
Dulles	Knowland	Sparkman
Flanders	Langer	Taft
Frear	Lodge	Taylor
Fulbright	Long	Thomas, Utah
Gillette	Lucas	Thye
Graham	McGrath	Tobey
Green	McMahon	Tydings
Gurney	Magnuson	Vandenberg
Hayden	Miller	Watkins
Hendrickson	Morse	Withers

NOT VOTING—7

Chavez	McFarland	Smith, N. J.
Eastland	Malone	
Humphrey	Reed	

The VICE PRESIDENT. On this vote the yeas are 38, and the nays 51. So the ruling of the Chair does not stand as the judgment of the Senate.

Mr. LUCAS. Mr. President, I renew my point of order to the amendment on page 4, which I understand is the pending question. I make the point of order that it is legislation on a general appropriation bill.

The VICE PRESIDENT. The Senator from Illinois makes the point of order that the amendment referred to is legislation on an appropriation bill, and therefore in violation of rule XVI of the Senate rules.

Does the Senator from Illinois wish to discuss the point of order?

Mr. LUCAS. It has been discussed, Mr. President extensively. I am sure the Chair is thoroughly familiar with the language referred to and the issues involved. Not only is it legislation upon an appropriation bill, but it is also a litigation.

I make the point of order against it. There cannot be any question about it. The distinguished Senator from Arkansas gave notice, on July 12, that he

would move to suspend the rule, thereby recognizing, himself, that the provision is subject to a point of order.

The VICE PRESIDENT. Does the Senator from Arkansas wish to argue the point?

Mr. McCLELLAN. Mr. President, I merely wish to state that my filing of the notice that I would move to suspend the rule does not amount to conceding that I think the provision is subject to a point of order. In order to be prepared, under the rules, I had to file the notice one calendar day ahead, I believe. For that reason, I took the precaution of doing so, in order that the amendment might be brought up if the Chair so held.

Mr. President, I should like to propose a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. Following this point of order, if it is sustained, are other points of order to the bill in order?

The VICE PRESIDENT. The Chair cannot pass on that question until some point of order is made.

Mr. McCLELLAN. Very well.

The VICE PRESIDENT. Under the circumstances, the Chair feels he is compelled to sustain the point of order which is made against this amendment on the ground that it is legislation on an appropriation bill.

Earlier in the day the Senate by its vote decided that the amendment was germane to some legislative provision of the bill, but the Chair is unable to determine to what provision of the bill it is germane. Therefore that point is out.

Undoubtedly this amendment is legislation to an appropriation bill.

Whether it is legislation offered to some legislative provision inserted by the House of Representatives, the Chair is unable to determine. That is a matter which is subject to some confusion.

Therefore the Chair sustains the point of order.

The Chair will state that the giving of notice of intent to file a motion to suspend the rule is not binding insofar as constituting a determination of the status of the provision in question. The Chair does not regard it as binding on that matter at all.

Mr. McCLELLAN. Mr. President, I make the point of order that the provisions on page 4, lines 17 to 21, inclusive; on page 5, beginning with line 8, through line 20 on page 6; on page 8, beginning in line 22, and continuing through line 2 on page 9; on page 9, beginning in line 4 and continuing through line 7; on page 12, in lines 4 through line 10; on page 12, from line 22 through line 7 on page 13; in section 202, on page 14, beginning in line 16 and continuing to line 8 on page 15, are amendments which the legislation on a general appropriation bill. I make that point of order.

Mr. LUCAS. Mr. President, I thought we were reading the bill amendment by amendment. I now submit a point of order against the point of order the Senator from Arkansas has just made, namely, that we should proceed with the bill and the amendments in order and should determine whether the points of order which have been raised by the Sen-

ator from Arkansas are to be sustained by the Chair or by the Senate. I think all these points of order are premature at this time.

The VICE PRESIDENT. The Chair would hear argument as to this matter. Of course the Chair has not carefully studied all the amendments which are now alleged to be legislation on an appropriation bill. In order to sustain the point of order raised by the Senator from Arkansas, the Chair would have to hold that all or some of the amendments are legislation on an appropriation bill and are in violation of the rule.

Under the rule, the Chair thinks the Senator can make a point of order against the entire bill on the ground that it contains many legislative propositions, and the Chair believes it is not necessary to read the bill page by page or to reach the amendments one by one, because when the rule provides that a point of order may be made against an amendment which itself is legislation, it also says that a point of order may be made against a bill if it contains items of legislation in violation of the rule.

If these are not legislative matters, of course, the point of order would not lie. If they are legislative matters, the Chair would like to know wherein they are.

Mr. McCLELLAN. Very well. I call the attention of the Chair to the amendment on line—

Mr. LUCAS. Mr. President, if the Senator will yield, in order to expedite matters, I will agree with the Senator from Arkansas that all the amendments he has pointed out constitute legislation on an appropriation bill. At the proper time when the amendments are reached in order I am prepared to make points of order. There can be no question about these amendments being legislation upon an appropriation, or a limitation in some way, or asking for affirmative relief, as I remember one of them does, and so forth.

The VICE PRESIDENT. Does the Senator from Illinois agree with the Chair's view that where a general appropriation bill contains numerous amendments which are in violation of the rule against legislation, a point of order may be made, under the rule, against the whole bill, and that it automatically goes back to the Appropriations Committee?

Mr. LUCAS. I do not think there is any question under rule XVI that a point of order of that kind can be made. Mr. President, the point of order made at this time, whereby the bill goes back to the Appropriations Committee, merely delays action on the ECA bill. I presume the committee could now, if it so desired, strike all the amendments from the bill and make it comply with the rule if they wanted to do that, without sending it back. It is perfectly all right with me, whatever the Appropriations Committee desires to do along that line. We have wasted a good deal of time, at least 2 or 3 days, upon the bill. I can stay here as long as anybody else, but at some time or other action must be taken on the ECA appropriation bill. I think the Senate is ready to act upon it today, and to act upon these amend-

ments. I am not attempting to tell the Appropriations Committee what it should do, of course, but I believe it is an unwise course to send this bill back in view of all the debate we have had upon it up to this time. It seems to me the sooner we can get through with it and get it to conference, the better off we will all be, because a number of other appropriation bills are pending, and I presume probably this same situation will arise again. The question of germaneness will arise, and before we get through we will probably have all the appropriation bills back with the Appropriations Committee. I am glad I am not on that committee, because on it devolves a tremendous amount of work. It is perfectly all right with me, if they want to go back to work again.

The VICE PRESIDENT. As the Chair suggested a day or two ago in a situation of this sort, heretofore where there was a threat that a bill would automatically be returned to the committee under the rule, the committee has withdrawn the offensive amendments and offered them one at a time as floor amendments. The Chair has no control over that. That has been done heretofore. But if it is not desirable that the committee do that in this case, there is only one course open to the Chair, and that is to sustain the point of order of the Senator from Arkansas, which automatically returns the bill to the committee.

Mr. LUCAS. That is what I had in mind a moment ago, when I said it would do that very thing, because the Chair did make that statement a few days ago.

Mr. President, this is a tremendously vital appropriation bill, and I had hoped the Appropriations Committee might do that very thing, so that the Senate could proceed with it, in view of the fact that we have reached this advanced stage in the consideration of the bill and the various amendments thereto.

The VICE PRESIDENT. The Chair is not undertaking to suggest to the committee, but in order that the parliamentary situation may be understood, the offering of the identical amendments individually one by one would not send the bill back to the committee, in the event the Chair sustained points of order against them.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Florida will state it.

Mr. PEPPER. Is it possible to send the bill back to the committee with directions of the Senate to delete the amendments which have been made the subject of a point of order by the Senator from Arkansas, and to report the bill again to the Senate?

The VICE PRESIDENT. No; the bill is already back in the committee, automatically, on the ruling by the Chair that it contains legislative provisions. No motion is in order, in the view of the Chair, at this time, to instruct the committee with respect to anything in the bill.

The Chair would like to state to the Senate that he regrets deeply the legislative and parliamentary procedure

which results in the position in which the ECA bill finds itself. But as the Chair views it, there was no other ruling he could make under the rules of the Senate, in view of the admission of both sides that the bill contains legislative provisions.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Illinois will state it.

Mr. LUCAS. Is the decision of the Chair subject to appeal?

The VICE PRESIDENT. The Chair supposes that all decisions are subject to appeal, but, where the rule is so obvious, so automatic, of course, if the Chair were overruled on it—

Mr. LUCAS. Mr. President, I am not going to take an appeal. I merely made the inquiry.

The VICE PRESIDENT. The Chair supposes that any ruling of the Chair, except one or two set out in the rules, not involved in this matter, is subject to appeal.

Mr. MAGNUSON subsequently said. Mr. President, I had intended to make same remarks on the amendment which has now been ruled out by the Chair. I ask unanimous consent to place those remarks in the RECORD.

The VICE PRESIDENT. Is there objection to the request?

There being no objection, Mr. MAGNUSON's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON IN OPPOSITION TO ECA AMENDMENT, FREEZING FUNDS FOR SURPLUS AGRICULTURAL PRODUCTS.

Mr. President, on pages 4 and 8 of the bill making appropriations for foreign aid for the fiscal year ending June 30, 1950, there appears the following Committee amendment: "The amount required to finance the procurement of surplus agricultural products (declared surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the ECA budget justification submitted to the Senate, shall be available only for such financing."

I am reliably informed that the effect of this amendment would be to freeze approximately one billion dollars of ECA fund. This is accomplished in the amendment by requiring the Administrator to use approximately this amount to finance agricultural products declared surplus by the Secretary of Agriculture. The use of the funds would be restricted in amounts to those products set forth in the justifications ECA presented to the Senate Appropriation Committee. In these justifications, ECA listed under food and agricultural imports the following items: bread grains, fats and oils, sugar, meats, dairy products, other foods, coarse grains, protein feeds, fertilizer, cotton, wool, other fibers, tobacco, and other agricultural products. You will note there are three catch-all categories in this list: "other foods," "other fibers," and "other agricultural products." The justification indicates that ECA estimates purchases of these commodities in fiscal 1950 will total \$1,874,000,000 and that of this amount \$1,673,000,000 will be spent in the United States.

We know from past experience, Mr. President, that the products included in the ECA justification most likely to be in surplus are the following: wheat, corn, tobacco, and cotton. These are what we might call the Big Four products. In my judgment it will be very detrimental, not only to the ECA program, but to all other agricultural products to give cotton, tobacco, wheat, and corn the

extremely preferential treatment implied in this amendment.

I recognize there is a growing sentiment in this country for congressional action which will serve as a directive to the ECA Administrator, forcing him to in turn force Marshall plan countries to buy in the United States whenever a domestic product is in surplus. To a considerable extent this sentiment is understandable. Taxpayers of this country are providing ECA dollars, out of their pockets, and have a right to expect that maximum attention be given domestic economic conditions and to the plight of any particular industry.

In the Pacific Northwest, for example, the lumber and horticultural industries are in urgent need of export outlets. They are hard hit by the world-wide dollar shortage. They justifiably look to ECA, not only for sympathetic treatment, but for positive action. To date they have been granted a sympathetic ear but little by way of positive results has been forthcoming.

The ECA Administrator is a competent businessman, one of the best our free-enterprise system has produced. Like any good businessman, he is trying to obtain the maximum return for every dollar he spends. In this case he is buying European recovery with the taxpayers dollars made available to him. His efforts in this regard are laudable, but I believe he must give increasing attention to the problems of those American industries which have a historical reliance upon exports—industries which are contributing their share of the tax dollars the Administrator is spending for European recovery.

Senators know I have taken this floor on many occasions to present, as forcefully as I know how, the problems presently confronted by the horticultural industry of this country. Let me repeat just a few of the facts I have previously presented. Prewar the apple growers of the Pacific Northwest consciously and systematically developed foreign markets. The whole industry is geared to exports. Approximately 30 percent of the total apple production was purchased by countries now participating in the Marshall plan. Today the dollar shortage has closed those markets. The only opportunity the industry has to reenter them is through participation in ECA. Last year only \$9,600,000 was spent by ECA for fruits, other than dried fruits. The justification presented to the Senate Appropriations Committee this year includes only \$9,400,000 for these fruits. That \$9,400,000 includes canned fruits, juice concentrates, and fresh fruits. This is a mere drop in the bucket compared to prewar exports.

Before the war, exports of United States horticultural products ranked first in all United States food exports and third in all agricultural exports. Exportation was exceeded only by cotton and tobacco. In fourth place came wheat and flour. From these facts, it is readily understandable why I feel compelled to oppose the amendment. The amendment would virtually foreclose any possibility of the horticultural industry reentering its foreign markets on a basis even approaching prewar levels.

This industry, which prewar, ranked first on the list of all food exports, would be relegated to insignificant participation in the ECA program.

That the horticultural industry faces an extremely difficult problem has been recognized by ECA, Department of Agriculture, the Senate Appropriations Committee, and the Senate itself. Senators will recall that other Senators and I sponsored an amendment to this year's authorization act, directing the Secretary of Agriculture to determine surpluses of horticultural products by "types, classes, and specifications." The objective of this amendment was to give the Secretary authority to take cognizance of the fact that the industry over the years has de-

veloped varieties of apples and pears, for example, peculiarly suited for the export trade. By virtue of the amendment, the Secretary can find that a surplus of export varieties exists, even though the entire crop may not be in excess of domestic requirements.

By adopting this amendment, the Senate gave recognition to the somewhat unique position of this industry. Later the industry presented its problem to the Senate committee considering the agriculture appropriations bill. On page 13 of its report, the committee stated: "The committee recognizes the unique position and need of this industry, arising from the temporary loss of long standing export markets and the inability of the fruit grower to reduce production without destruction of trees and tragic loss of capital investment in packing and other facilities."

The lumbering and horticultural industries have urged other Senators and I to offer amendments to this bill which would earmark certain funds for purchase of their products or, as an alternative, to offer an amendment which would direct the Administrator to force ECA countries to purchase lumber and horticultural products in this country exclusively, whenever there is a surplus.

I have refrained from taking such action. First, because as I have said before, I believe the Administrator is a sensible competent business man. He knows American industry, and within the framework of existing legislation has authority to handle these problems administratively. The European recovery program is a highly complex venture. The Administrator must have flexibility if he is to do the job the Congress and the country want him to do. I serve notice here and now, however, that unless greater attention is given by ECA representatives abroad to our domestic problems, I shall be among those supporting legislation requiring them to do so.

Second, I have refrained from sponsoring such amendments at this time because I believe it inconsistent to oppose the amendment I read at the beginning of these remarks and simultaneously sponsor an amendment earmarking funds for some other product. I believe all segments of our great agricultural industry should be placed on an equal footing. All segments of the industry should have equal opportunity to present their case to the Administrator and he, in turn, to the countries which are beneficiaries of this great venture.

Before concluding I wish to call your attention to several other facets of the problem I have been discussing. The horticultural industry and, in fact, all industries relying on exports, view with great alarm the many bilateral agreements which have been, and are being, negotiated by nations participating in ERP. Unless this tendency is reversed some United States commodities, like fruit, may be permanently excluded from normal European markets.

I recognize, Mr. President, this problem goes beyond the jurisdiction of ECA. I believe, however, that the Administrator and his representatives abroad can do much to counteract it. Certainly the attempt should be made.

Today ECA is the dominating influence in international trade. Without participation in that program, reestablishment and further development of the horticultural industry's European outlets is impossible. The same is true of other segments of agriculture who consciously and systematically developed foreign markets in the prewar era. Congress recognized the truth of these statements by including section 112 in the Economic Cooperation Act itself. This section authorizes the Secretary of Agriculture to use section 32 funds to aid in the reestablishment of export markets for perennial

horticultural crops and others, which may be declared surplus to our need.

The Administrator, by cooperating with the secretary in such an export program, can obtain for participating countries agricultural commodities at 50 percent of total cost. For some reason ECA has not taken full advantage of this very attractive program. I believe much greater use can and should be made of section 112. Here is another instance where Congress has given the Administrator an effective tool to work with, a tool which should be placed in the kit of all of our ECA representatives abroad and used.

I think it would be appropriate for the conferees in their report to include language along the lines implied in these remarks—language which would serve as a guide to the Administrator, when he is attempting to determine congressional intent through study of the legislative history of this bill. I urge those Senators who will represent this body at the conference table to give serious consideration to this suggestion.

Mr. President, for the reasons stated in these remarks, I oppose the amendment which appears on pages 4 and 8 of the pending bill. Again I want to make it clear, however, that unless greater attention is given to the problems of domestic industries by the Administrator, his representatives abroad, and the countries participating in ERP, I shall be among those sponsoring legislation making such action mandatory.

MILITARY RENTAL HOUSING (S. 1184) — CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit the conference report on the bill (S. 1184) to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the report.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1184) to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Forces installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "except that where the Secretary of Defense or his designee in exceptional cases certifies and the Commissioner concurs in such certification that the needs would be better served by single-family detached dwelling units the mortgage may involve a principal obligation not to exceed \$9,000 per family unit for such part of such property as may be attributable to such dwelling units"; and on page 18 of the Senate engrossed bill, line 22, after the word "defense", insert "or in the public interest"; and the House agree to the same.

BURNET R. MAYBANK,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
RALPH E. FLANDERS,
HARRY P. CAIN,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1184) to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4566) to revise, codify, and enact into law, title 14 of the United States Code, entitled "Coast Guard."

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 142. An act excepting certain persons from the requirement of paying fees for certain census data;

H. R. 459. An act to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals;

H. R. 585. An act for the relief of Jacob A. Johnson;

H. R. 1127. An act for the relief of Sirkka Siiri Saarelainen;

H. R. 1303. An act for the relief of Dr. Elias Stavropoulos, his wife, and daughter;

H. R. 1360. An act to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.;

H. R. 2417. An act to authorize the Secretary of the Air Force to operate and maintain a certain tract of land at Valparaiso, Fla., near Eglin Air Force Base, as a recreational facility;

H. R. 2474. An act for the relief of Frank E. Blanchard;

H. R. 2799. An act to amend the act entitled "An Act regulating the retent on contracts with the District of Columbia," approved March 31, 1906;

H. R. 2853. An act to authorize the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche H. Weedon and Amos L. Harris, as trustees;

H. R. 3467. An act for the relief of Franz Eugene Laub;

H. R. 3512. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to authorize the exemption of certain employees of the Library of Congress and of the judicial branch of the Government whose employment is temporary or of uncertain duration;

H. R. 4022. An act to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950;

H. R. 4261. An act authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi;

H. R. 4646. An act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to lend

H. R. 4830

MAY 27 (legislative day, MAY 23), 1949

JULY 12 (legislative day, JUNE 2), 1949

JULY 27 (legislative day, JUNE 2), 1949

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

6 TITLE I

7 *LEGISLATIVE BRANCH*

8 SENATE

9 CONTINGENT EXPENSES OF THE SENATE

10 *Joint Committee on Foreign Economic Cooperation:*
11 *For salaries and expenses of the Joint Committee on For-*

1 *sign Economic Cooperation, as authorized by Public Law*
2 *472, Eightieth Congress, as amended by Public Law 47,*
3 *Eighty-first Congress, including per diem and subsistence*
4 *expenses, without regard to the Travel Expense Act of 1949,*
5 *approved June 9, 1949, \$344,000: Provided, That this*
6 *appropriation shall be available from and including July 1,*
7 *1949, for the purpose provided herein. All obligations in-*
8 *curred during the period between July 1, 1949, and the*
9 *date of the enactment of this Act in anticipation of such*
10 *appropriation are hereby ratified and confirmed if in accord-*
11 *ance with the terms hereof.*

12 FUNDS APPROPRIATED TO THE PRESIDENT

13 ECONOMIC COOPERATION

14 For expenses necessary to enable the President to carry
15 out the provisions of the Economic Cooperation Act of 1948,
16 as amended by the Act of April 19, 1949 (Public Law
17 47), for the period commencing April 3, 1949, through
18 June 30, 1949, including expenses of attendance at meet-
19 ings concerned with the purposes of this appropriation (not
20 to exceed \$6,000); hire of passenger motor vehicles;
21 maintenance and operation and hire of aircraft; payment
22 of damage claims pursuant to law (28 U. S. C. 2672);
23 health service program as authorized by law (5 U. S. C.
24 150); rents in the District of Columbia; transportation of
25 privately owned automobiles; entertainment (not to exceed

1 \$6,000) ; exchange of funds without regard to section 3651
2 of the Revised Statutes; and loss by exchange; ~~\$1,074,~~
3 ~~000,000~~ ~~\$1,000,000,000,~~ of which not to exceed \$125,000
4 shall be available for expenditures of a confidential character
5 ~~(other than entertainment)~~ under the direction of the Ad-
6 ministrator or the Deputy Administrator, who shall make a
7 certificate of the amount of each such expenditure which he
8 may think it advisable not to specify, and every such certifi-
9 cate shall be deemed a sufficient voucher for the amount
10 therein specified: *Provided*, That not to exceed \$4,400,000
11 in the aggregate shall be available from this appropriation
12 and the appropriation under this head in the Foreign Aid
13 Appropriation Act, 1949, for administrative expenses during
14 the period April 3, 1949, through June 30, 1949.

15 For expenses necessary to enable the President to carry
16 out the provisions of the Economic Cooperation Act of 1948,
17 as amended by the Act of April 19, 1949 (Public Law 47),
18 for the fiscal year ending June 30, 1950, including expenses
19 of attendance at meetings concerned with the purposes of
20 this appropriation (not to exceed \$30,000) ; purchase (not
21 to exceed two) and hire of passenger motor vehicles; main-
22 tenance and operation and hire of aircraft; payment of
23 damage claims pursuant to law (28 U. S. C. 2672) ; health
24 service program as authorized by law (5 U. S. C. 150) ;
25 rents in the District of Columbia; transportation of privately

1 owned automobiles; entertainment (not to exceed \$25,000) ;
2 exchange of funds without regard to section 3651 of the
3 Revised Statutes; and loss by exchange; ~~\$3,568,470,000~~
4 \$3,628,380,000, of which (1) *the amount required to finance*
5 *the procurement of surplus agricultural products (deter-*
6 *mined surplus by the Secretary of Agriculture) of the kinds*
7 *and in the quantities set out in the Economic Cooperation*
8 *Administration budget justification submitted to the Senate*
9 *shall be available only for such financing, and (2) not to*
10 *exceed \$500,000 \$200,000 shall be available for ex-*
11 *penditures of a confidential character (other than enter-*
12 *tainment) under the direction of the Administrator or the*
13 *Deputy Administrator, who shall make a certificate of the*
14 *amount of each such expenditure which he may think it*
15 *advisable not to specify, and every such certificate shall be*
16 *deemed a sufficient voucher for the amount therein specified:*
17 *Provided, That of this appropriation \$50,000,000 shall be*
18 *used only for assistance to Spain, to be extended upon*
19 *credit terms as provided in section 111 (c) (2) of the*
20 *Economic Cooperation Act of 1948, as amended: Provided*
21 *further, That this appropriation shall be consolidated and*
22 *merged with appropriations under this head for prior periods,*
23 *and such consolidated appropriation may be used during*
24 *the fiscal year 1950 within limitations herein specified:*
25 *Provided further, That not to exceed \$16,500,000 of such*

1 consolidated appropriation shall be available for adminis-
2 trative expenses during the fiscal year 1950: ~~Provided~~
3 ~~further~~, That the entire amount may be apportioned for ob-
4 ligation or may be obligated and expended, if the President
5 after recommendation by the Administrator deems such action
6 necessary to carry out the purposes of said Act during the
7 period ending May 15, 1950: *Provided further, That the*
8 *Administrator is authorized to issue notes from time to time*
9 *during the fiscal year 1950 for purchase by the Secretary*
10 *of the Treasury in an amount not exceeding in the aggre-*
11 *gate \$150,000,000, for the purpose of allocating funds dur-*
12 *ing such fiscal year to the Export-Import Bank of Washington*
13 *for assistance on credit terms under the provisions of said*
14 *Act; and the provisions of paragraph (2) of section 111 (c)*
15 *of said Act shall, to the extent applicable, be applicable to*
16 *the notes authorized to be issued in this proviso and to all*
17 *functions of the Administrator, the Secretary of the Treasury,*
18 *and the Export-Import Bank of Washington in extending the*
19 *assistance provided for herein: Provided further, That the*
20 *Administrator is authorized to utilize any unexpended portion*
21 *of the 5 per centum of each special local currency account*
22 *established pursuant to section 115 (b) (6) of the Economic*
23 *Cooperation Act of 1948 (allocated in title I, Public Law*
24 *793, Eightieth Congress), as amended by section 9 (b) of*
25 *Public Law 47, Eighty-first Congress, and an additional*

1 *1 per centum of such funds as shall accrue in each of said*
 2 *special local currency accounts after passage of this Act*
 3 *in the furtherance of publicity by press, radio, or any other*
 4 *means of the use of Economic Cooperation Administration*
 5 *funds: Provided further, That none of the local currencies*
 6 *required by section 115 (b) (6) of the Economic Coop-*
 7 *eration Act of 1948, as amended, to be deposited in local*
 8 *currency accounts as a result of assistance furnished, through*
 9 *the use of funds appropriated by the foregoing provisions of*
 10 *this title, shall be made available for expenditure by any*
 11 *recipient country so long as such country (1) fails to comply*
 12 *with any treaty with the United States, or (b) causes or*
 13 *permits any area dependent upon it (as designated in the*
 14 *Bilateral Agreements) to fail to comply with any such treaty:*
 15 *Provided further, That the list of limited and prohibitive*
 16 *industries scheduled for destruction in, or removal from,*
 17 *Germany shall be reviewed and the Administrator of the*
 18 *Economic Cooperation Administration shall seek to obtain*
 19 *the retention in Germany of such plants on this list as would*
 20 *best serve European recovery if left in Germany.*

21 ASSISTANCE TO GREECE AND TURKEY

22 For an additional amount for "Assistance to Greece
 23 and Turkey", as authorized by the Act of May 22, 1947
 24 (61 Stat. 103), as amended and supplemented, to be avail-
 25 able immediately, ~~\$50,000,000~~ \$45,000,000, which, together

1 with the amounts heretofore appropriated under this head,
2 shall remain available until June 30, 1950; and the existing
3 limitation under this head in the Foreign Aid Appropria-
4 tion Act, 1949, on the amount available for administrative
5 expenses, shall continue in effect; and the existing limita-
6 tion under said head on the amount available for such
7 expenses in the District of Columbia is increased from
8 “\$400,000” to “\$425,000”: *Provided*, That said limitations
9 shall apply only to the administrative expenses of the
10 Department of State.

11 NATIONAL MILITARY ESTABLISHMENT

12 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

13 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

14 For expenses, not otherwise provided for, necessary to
15 meet the responsibilities and obligations of the United States
16 in connection with the government or occupation of certain
17 foreign areas, including personal services in the District of
18 Columbia and elsewhere and, subject to such authorizations
19 and limitations as may be prescribed by the head of the
20 department or agency concerned, tuition, personal allow-
21 ances (not to exceed \$10 per day), travel expenses (not
22 to exceed those authorized for like United States military
23 or civilian personnel), and fees incident to instruction in
24 the United States or elsewhere of such persons as may be
25 required to carry out the provisions of this appropriation;

1 travel expenses and transportation; services as authorized
2 by section 15 of the Act of August 2, 1946 (5 U. S. C.
3 55a), at rates not in excess of \$50 per diem for individuals;
4 health service program as authorized by law (5 U. S. C.
5 150); payment of claims pursuant to law (28 U. S. C.
6 2672); translation rights, photographic work, educational
7 exhibits, and dissemination of information, including preview
8 and review expenses incident thereto; expenses incident to
9 the operation of schools for American children; printing
10 and binding; purchase and hire of passenger motor vehicles
11 and aircraft; repair and maintenance of buildings, utilities,
12 facilities, and appurtenances; contingencies for the United
13 States commanders, commissioners, or other administrators
14 of foreign areas, to be expended in their respective discre-
15 tions (not exceeding amounts authorized or approved by
16 the head of the department or agency concerned); such
17 minimum supplies for the civilian populations of such areas
18 as may be essential to prevent starvation, disease, or unrest,
19 prejudicial to the objectives sought to be accomplished;
20 and such supplies, commodities, and equipment as may be
21 essential to carry out the purposes of this appropriation;
22 ~~\$925,000,000~~ \$900,000,000, of which (1) the amount re-
23 quired to finance the procurement of surplus agricultural
24 products (determined surplus by the Secretary of Agricul-
25 ture) of the kinds and in the quantities set out in the Depart-

1 *ment of the Army budget justification submitted to the Senate*
2 *shall be available only for such financing, and (2) not to*
3 *exceed ~~\$45,000,000~~ \$40,000,000 shall be available for ad-*
4 *ministrative expenses: Provided, That when members of the*
5 *armed forces are employed primarily for the purpose of this*
6 *appropriation, the mileage and other travel allowances to*
7 *which they may be entitled shall be paid therefrom: Provided*
8 *further, That the general provisions of the appropriation Act*
9 *for the fiscal year 1950 for the military functions of the De-*
10 *partment of the Army shall apply to expenditures made by*
11 *that Department from this appropriation: Provided further,*
12 *That expenditures from this appropriation may be made out-*
13 *side continental United States, when necessary to carry out*
14 *its purposes, without regard to sections 355, 1136, 3648, and*
15 *3734, Revised Statutes, as amended, civil service or classifi-*
16 *cation laws, or provisions of law prohibiting payment of*
17 *any person not a citizen of the United States: Provided*
18 *further, That expenditures from this appropriation may be*
19 *made, when necessary to carry out its purposes, without*
20 *regard to section 3709, Revised Statutes, as amended, and*
21 *the Armed Services Procurement Act of 1947 (Public*
22 *Law 413, Eightieth Congress): Provided further, That*
23 *expenditures may be made hereunder for the purposes of*
24 *economic rehabilitation in the occupied areas in such manner*
25 *as to be consistent with the general objectives of the Eco-*

1 nomic Cooperation Act of 1948, as amended: *Provided*
2 *further*, That funds appropriated hereunder and unexpended
3 at the time of the termination of occupation by the United
4 States, of any area for which such funds are made available,
5 may be expended by the President for the procurement of
6 such commodities and technical services, and commodities
7 procured from funds herein or heretofore appropriated for
8 government and relief in occupied areas and not delivered
9 to such an area prior to the time of the termination of
10 occupation, may be utilized by the President, as may be
11 necessary to assist in the maintenance of the political and
12 economic stability of such areas: *Provided further*, That
13 before any such assistance is made available, an agreement
14 shall be entered into between the United States and the
15 recognized government or authority with respect to such
16 area containmg such undertakings by such government or
17 authority as the President may determine to be necessary
18 in order to assure the efficient use of such assistance in
19 furtherance of such purposes: *Provided further*, That such
20 agreement shall, when applicable, include requirements and
21 undertakings corresponding to the requirements and under-
22 takings specified in sections 5, 6, and 7 of the Foreign Aid
23 Act of 1947 (Public Law 389, approved December 17,
24 1947): *Provided further*, That service of an individual
25 rendered under this appropriation as an expert, consultant,

1 adviser, or technician shall not be considered as service or
2 employment bringing such individual within the provisions
3 of sections 281 or 283 of title 18, United States Code, of
4 section 190, Revised Statutes (5 U. S. C. 99), or of
5 section 19 (e) of the Contract Settlement Act of 1944, or
6 of any other Federal law imposing restrictions, requirements,
7 or penalties in relation to the employment of persons, the
8 performance of services, or the payment or receipt of com-
9 pensation in connection with any claim, proceeding, or
10 matter involving the United States: *Provided further*, That
11 funds appropriated hereunder may be used, insofar as prac-
12 ticable, and under such rules and regulations as may be
13 prescribed by the head of the department or agency con-
14 cerned, to pay ocean transportation charges from United
15 States ports, including territorial ports, to ports in Japan
16 and the Ryukyus for the movement of supplies donated to,
17 or purchased by, United States voluntary nonprofit relief
18 agencies registered with and recommended by the Advisory
19 Committee on Voluntary Foreign Aid or of relief packages
20 consigned to individuals residing in such countries: *Pro-*
21 *vided further*, That under the rules and regulations to be
22 prescribed, the head of the department or agency concerned
23 shall fix and pay a uniform rate per pound for the ocean
24 transportation of all relief packages of food or other general
25 classification of commodities shipped to Japan or the

1 Ryukyus regardless of methods of shipment and higher rates
2 charged by particular agencies of transportation, but this
3 proviso shall not apply to shipments made by individuals
4 to individuals: *Provided further, That the Joint Committee*
5 *on Foreign Economic Cooperation established pursuant to*
6 *provisions of section 124 (a) of the Economic Cooperation*
7 *Act of 1948, as amended, shall have the same duties, powers,*
8 *and responsibilities with respect to programs carried out by*
9 *appropriations for government and relief in occupied areas*
10 *as it has with respect to programs under said act: Provided*
11 *further, That the President may transfer to any other*
12 *department or agency any function or functions provided*
13 *for under this appropriation, and there shall be trans-*
14 *ferred to any such department or agency such unobli-*
15 *gated balances of this appropriation and, without reim-*
16 *bursement and without regard to the appropriation from*
17 *which procured, such property as the Director of the Bureau*
18 *of the Budget shall determine to relate primarily to any*
19 *function or functions so transferred; and any funds so trans-*
20 *ferred may be expended either under the authority contained*
21 *herein or under the authority governing the activities of*
22 *the department or agency concerned: Provided further,*
23 *That when the Department of the Army, under the author-*
24 *ity of the Act of March 3, 1911, as amended (10 U. S. C.*
25 *1253), furnishes subsistence supplies to personnel of civilian*

1 *agencies of the United States Government serving in Ger-*
2 *many, payment therefor by such personnel shall be made*
3 *without regard to the 10 per centum additional charge*
4 *required by said Act, but payment for subsistence supplies*
5 *by such personnel shall be at the same rate as is paid by*
6 *civilian personnel of the Department of the Army serving*
7 *in Germany.*

8 TITLE II—GENERAL PROVISIONS

9 SEC. 201. No part of any appropriation contained in
10 this Act shall be used to pay the salary or wages of any
11 person who engages in a strike against the Government of
12 the United States or who is a member of an organization
13 of Government employees that asserts the right to strike
14 against the Government of the United States, or who advo-
15 cates, or is a member of an organization that advocates, the
16 overthrow of the Government of the United States by force
17 or violence: *Provided*, That for the purposes hereof an
18 affidavit shall be considered prima facie evidence that the
19 person making the affidavit has not contrary to the pro-
20 visions of this section engaged in a strike against the Govern-
21 ment of the United States, is not a member of an organiza-
22 tion of Government employees that asserts the right to strike
23 against the Government of the United States, or that such
24 person does not advocate, and is not a member of an or-
25 ganization that advocates, the overthrow of the Government

1 of the United States by force or violence: *Provided further,*
2 That any person who engages in a strike against the Govern-
3 ment of the United States or who is a member of an
4 organization of Government employees that asserts the right
5 to strike against the Government of the United States, or
6 who advocates, or who is a member of an organization
7 that advocates, the overthrow of the Government of the
8 United States by force or violence and accepts employment
9 the salary or wages for which are paid from any appropria-
10 tion contained in this Act shall be guilty of a felony and,
11 upon conviction, shall be fined not more than \$1,000 or
12 imprisoned for not more than one year, or both: *Provided*
13 *further,* That the above penalty clause shall be in addition
14 to, and not in substitution for, any other provisions of existing
15 law.

16 *SEC. 202. During the fiscal year ending June 30,*
17 *1950, the Department of the Army is authorized to operate*
18 *the Morgantown Ordnance Works at Morgantown, West*
19 *Virginia, the Ohio River Ordnance Works at West*
20 *Henderson, Kentucky, and the San Jacinto Ordnance*
21 *Works at San Jacinto, Texas, for the production of*
22 *anhydrous ammonia for the manufacture of nitrogenous*
23 *fertilizer materials or nitrogenous compounds for its use*
24 *in the occupied countries and for sale for use in the*
25 *Republic of South Korea. From the proceeds of materials*

1 sold there shall be credited to the appropriation for Gov-
2 ernment and Relief in Occupied Areas an amount equiva-
3 lent to the cost of production of such materials and any
4 balance to miscellaneous receipts of the Treasury: Provided,
5 however, That nothing in this section shall be construed to
6 repeal the provisions of section 205 of Public Law 793,
7 Eightieth Congress, with respect to the production and allo-
8 cation of nitrogenous fertilizer materials for domestic use.

9 SEC. ~~202~~ 203. This Act may be cited as the "Foreign
10 Aid Appropriation Act, 1950".

Passed the House of Representatives May 26, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on
Appropriations

JULY 12 (legislative day, JUNE 2), 1949

Reported with amendments

JULY 27 (legislative day, JUNE 2), 1949

Recommitted to the Committee on Appropriations

Treasury Department, he is authorized by statute and Executive order to act as Secretary. In the absence of the Secretary of the Treasury, to the same extent as an Assistant Secretary of the Treasury.

The assistant general counsel for the Bureau of Internal Revenue (popularly known as the chief counsel of the Bureau) is also appointed by the President with the advice and consent of the Senate. The salary for each of these positions is \$10,330 per annum.

The general counsel of the Department is charged with the supervision and coordination of one of the largest legal staffs of the Government, dealing with most important functions in the domestic and international fiscal and economic fields and related administrative and enforcement activities. There are over 500 lawyers under his general supervision in all the various branches and activities of the Treasury Department. These include such administrative units as the Bureau of Internal Revenue, the Bureau of Customs, Coast Guard, Office of International Finance, Bureau of Public Debt, and Comptroller of the Currency, as well as the many other activities of the Treasury Department.

The chief counsel of the Bureau of Internal Revenue is charged with all the legal problems attendant upon the collection of over \$40,000,000,000 annually in revenues. Fair and effective administration of our complex tax laws places upon his shoulders a responsibility in this field second only to that of the Commissioner of Internal Revenue. By statute he is charged with direct responsibility for the supervision and coordination of a staff of over 400 lawyers in the Bureau of Internal Revenue, located in Washington and in many field offices throughout the country.

The responsibilities of the general counsel of the Treasury Department and the chief counsel of the Bureau of Internal Revenue are acknowledged as being among the greatest of any of the legal offices of the Government, requiring for effective administration a degree of technical competence and administrative ability greater than most any of the professional positions in the private practice of law which bring personal recompense many times over the \$10,000 salaries now awarded those positions.

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were each read twice by their titles, and referred, as indicated:

H. R. 3829. An act to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes; to the Committee on Labor and Public Welfare.

H. J. Res. 327. Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases; and

H. J. Res. 329. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, and for other purposes; to the Committee on Appropriations.

ALLEGED INVASION OF SOVEREIGN RIGHTS BY REGULATION OF MONEY SPENT ABROAD—ARTICLE FROM NEW YORK WORLD-TELEGRAM

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Sovereign Rights Not Necessarily Invaded if We Have Say on How Much Is Spent Abroad," written by Ralph Hendershot and published in the New York World-Telegram of July 27, 1949, which appears in the Appendix.]

THE BRITISH MEDICAL CARE PLAN—REPORT BY JOHN G. HILL

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a report en-

titled "Has Britain Shown That Health Insurance Can Work?", written by John G. Hill, director of research, health and welfare council of Philadelphia, Pa., which will appear hereafter in the Appendix.]

SPEECHES BEFORE AMERICANS FOR DEMOCRATIC ACTION, FULL EMPLOYMENT CONFERENCE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a series of speeches delivered before the Americans for Democratic Action, Full Employment Conference, held in Washington, D. C., on July 19, 1949, together with a resolution adopted at that conference, which appear in the Appendix.]

THE EXCISE TAX ON FURS

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a letter received by him from Mr. Alfred A. Greenwood, of Baltimore, Md., relative to the excise tax on furs, which appears in the Appendix.]

ADDITIONAL APPROPRIATION FOR CONTROL OF EMERGENCY OUTBREAKS OF INSECTS AND PLANT DISEASES

Mr. McKELLAR. Mr. President, the House has passed House Joint Resolution 327, making an additional appropriation for control of emergency outbreaks of insects and plant diseases. The joint resolution makes provision for an additional appropriation for control of grasshoppers. The joint resolution came to the Senate from the House a short time ago. The Senate Appropriations Committee has considered the joint resolution and, at the request of the Secretary of Agriculture, has increased the amount carried in the measure from \$1,500,000 to \$3,500,000.

I now report the joint resolution favorably from the Committee on Appropriations, with an amendment, to strike \$1,500,000 and insert \$3,500,000, and I submit a report (No. 794) thereon.

By reason of the urgency of the situation, I now ask unanimous consent that the House joint resolution, which has just been reported from the committee be immediately considered.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

Mr. WHERRY. If I correctly understand, this is the so-called emergency grasshopper relief bill.

Mr. McKELLAR. It is.

Mr. WHERRY. The House has passed the joint resolution and it came to the Senate, and was referred to the Committee on Appropriations, and reported from the committee with an amendment; and by reason of the emergency of the situation, and the need for additional money, the distinguished chairman of the Committee on Appropriations is asking for immediate consideration?

Mr. McKELLAR. That is true.

Mr. WHERRY. Mr. President, I have no objection.

Mr. LUCAS. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. LUCAS. I want to commend the Committee on Appropriations for its prompt action on the measure and to endorse the request of the chairman for immediate consideration. I do not know what the situation is in other States with respect to the grasshopper pest, but,

insofar as my State of Illinois is concerned, the situation is very serious. I am very happy that the Senate committee has taken action to increase the amount for the control of this pest.

Mr. McKELLAR. I thank the Senator from Illinois, and I express the hope that the joint resolution may be considered immediately and passed.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 327) making an additional appropriation for control of emergency outbreaks of insects and plant diseases, which had been reported from the Committee on Appropriations with an amendment on page 1, line 9, after the word "diseases", to strike out "\$1,500,000" and insert "\$3,500,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

Mr. McKELLAR subsequently said: Mr. President, I move that the Senate insist on its amendment, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. McCARRAN, Mr. O'MAHONEY, Mr. GURNEY, Mr. CORDON, and Mr. YOUNG conferees on the part of the Senate.

FOREIGN-AID APPROPRIATIONS—NOTICE OF MOTION TO RECONSIDER VOTE

Mr. KNOWLAND. Mr. President, on page 10478 of the CONGRESSIONAL RECORD of yesterday appears the vote by which the Senate did not sustain the ruling of the Chair. The RECORD will show that I voted on the prevailing side. At this time I serve notice that I shall move to reconsider the vote by which the ruling of the Chair was not sustained.

DEPARTMENT OF COMMERCE—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the Department of Commerce on the Hoover Commission recommendations as they affect that Department.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a summary of a 70-page report compiled by the Department of Commerce, strongly endorsing recommendations of the Hoover Commission which affect that Department.

The report is in general agreement with the Hoover Commission objective of em-

bracing all of the activities of the Federal Government relating to the development of industry, transportation, and commerce within the Department of Commerce. The Secretary of Commerce, in submitting the report, stated that such proposal is "in accord with sound principles of Federal organization and would lead to the many improvements which would come from a major grouping of similar functions and purposes. * * * It is in line with the original purposes laid down by the Congress at the time the Department was created."

The report is divided into seven basic categories, transportation, the merchant marine, civil aviation, highway transportation, railroad transportation, commercial fisheries, and departmental management.

Commenting on the proposed consolidation of most of the nonregulatory transportation functions in the Department, the report concurs with the findings of the Hoover Commission, stating that:

"Adoption of the general program advanced by the Commission would result in a far greater degree of unity both in policy formulation and in the administration of transportation functions that exists at the present time. It should be pointed out, however, that in our judgment the complete adoption of the Hoover Commission recommendations would not automatically result in completely unified national transportation policy.

"* * * In the absence of any proposal for a separate Department of Transportation we are also inclined to believe that the Department of Commerce probably represents the most appropriate agency for the location of these functions. This Department has as one of its major purposes the mandate to foster and promote the domestic and foreign commerce of the United States. In carrying out this legislative mandate the Department already engages in a variety of transportation activities and is at the same time analyzing the entire transportation system of the country from the standpoint of determining how well it meets the needs of commerce. These existing activities are certainly closely related to the over-all planning and programing functions which the Hoover Commission considers essential activities for the enlarged Department of Commerce which it proposes."

The report cites but one exception, that of the National Advisory Committee for Aeronautics which transfer the Department believes cannot be sustained on logical grounds. The Secretary stated that inasmuch as almost all of the research now conducted by the NACA is for military purposes, and since it is unlikely that any future work will have civilian air transport application, there seems little reason to transfer this organization to the Department. The suggestion is also made that further study be given the problem of organizing Federal scientific research before any change is made in the current status of the NACA.

The Department opposes a portion of the recommendation which leaves with the Civil Aeronautics Board a review function over the promulgation of air-safety regulations. The Department feels that these functions should be transferred to the Department in their entirety in order that the possibility of overlapping be reduced commenting as follows:

"The Department is of the opinion that the Civil Aeronautics Administration is the proper agency to promulgate air-safety regulations. It has a large and well-qualified technical staff stationed throughout the United States, its territories and possessions. The staff is in everyday contact with all phases of the industry, is familiar with all types of operating problems, and is currently dealing with the latest technical developments in the field. This specialized, current, and practical knowledge would make it pos-

sible for the Civil Aeronautics Administration to promulgate workable, effective, and timely air-safety regulations. * * *

The Department expresses apprehension relative to the adoption of the Hoover Commission recommendations dealing with subsidies, but, in connection with the proposed concentration of over-all route programs for air, land, and water transportation, proposes to "perform a critical evaluation of all promotional activities of the Federal Government to evolve a balanced program." In summing up its position, the Department states:

"Entrusting the general planning and programing function to the Department is desirable, but fulfillment of these functions probably would involve difficulties with the regulatory commissions so long as the granting of shipping subsidies is left in the hands of the Maritime Commission and the granting of airline subsidies is left to the Civil Aeronautics Board. * * * While the Department is willing to accept the recommendations of the Hoover Commission and appear before the regulatory agencies in support of the general plans and programs which it evolves, it would like to point out that there would not necessarily result a unified and coordinated program with respect to the granting of subsidies. The regulatory commissions might in general follow policies which were in substantial accord with the program suggested by the Department, but it is equally possible that they might adopt quite different and conflicting policies. As a result the prospects of achieving a balanced promotional program are greatly diminished and the possibility of difficulties between the Department and the regulatory commissions is enhanced. In fact, there might develop sharp conflicts of view between the Department supporting a balanced transportation program and the individual regulatory commissions adopting policies calculated to favor the particular area of transport over which they have jurisdiction."

The transfer of the Coast Guard, the business operations of the Maritime Commission, and the marine functions of the Bureau of Customs to the Department of Commerce is supported. The following extract from the report indicates the Department's views:

"Close relationships with units already in the Department or proposed for transfer to the Department lend support to the view that the Coast Guard might appropriately be lodged in the Department. In reaching this decision we recognize that the Coast Guard performs some auxiliary activities of value to the Treasury Department, and stands in readiness to perform a variety of functions for the Military Establishment in time of war. Since the bulk of the Coast Guard's activities, however, have a close and intimate connection with transportation it appears preferable to place that agency with other transportation organizations rather than to leave it in the Treasury Department or to transfer it to the National Military Establishment. So long as the organization of the Coast Guard is maintained substantially without change, a transfer during time of war to the National Military Establishment could be effected without difficulty. * * *

The Department agrees with the Hoover Commission that most of the functions now supervised by the Maritime Commission are of the character for which unified administration and direction is desirable, commenting on the proposed transfer, as follows:

"The various operating functions, in particular those in connection with the huge Government-owned fleet, can certainly be administered to greater advantage by a single administrator than by a board. The Department thinks that these functions might well be placed within the jurisdiction of the over-all transportation agency of the Government. The same conclusion applies to the training functions of the Commission and this conclusion is strengthened if, as is

also proposed, the activities of the Coast Guard to be transferred to the Department. This follows since there should be a close relationship between the training of seafaring personnel conducted by the Commission and the maintenance of employment standards for this personnel by the Coast Guard."

The Department likewise supports the recommendation for a study of the marine functions of the Bureau of Customs with a view to consolidation with other marine functions within the Department, as follows:

"A preliminary review of the activities of the Bureau of Customs suggests the possibility that certain of the functions which it performs might be consolidated with either those of the Coast Guard or with the functions transferred from the Maritime Commission. The Department is inclined to believe that the section of marine administration, the section of admeasurement, and the section of publications and documents might be transferred in whole or in part without any serious interference with the basic work of the Bureau of Customs. Accordingly, we endorse the idea of having a study made by an impartial group, such as the Bureau of the Budget, with a view to determining which, if any, of these functions appropriately belong in the new transportation organization."

The recommendation which would create within the Department a Bureau of Highway Transportation, to be composed of the Public Roads Administration and the motor carrier safety functions of the Interstate Commerce Commission, is endorsed, as follows:

"The basic activity of the Public Roads Administration—sponsoring the development of an adequate system of public roads through a Federal grant-in-aid program—is parallel to the major activities of the Civil Aeronautics Administration; that is sponsoring and promoting the development of an adequate system of airports through a grant-in-aid program and the actual establishment of airway facilities. The Department is convinced that it is desirable to group these related promotional activities under unified policy and budgetary controls and accordingly agrees with the recommendation of the Hoover Commission that the Public Roads Administration be lodged in the Department. * * * It might also be noted that safety work in the motor-transport field has virtually no connection with the basic task of economic regulation entrusted to the Interstate Commerce Commission. Accordingly, this function could be transferred from the Commission without interfering with the Commission's normal operations."

The Department also supports the creation of a new Bureau of Railroad Transportation composed of the railway safety functions, the car-service functions, the railroad-consolidation-planning functions of the Interstate Commerce Commission, and the Office of Defense Transportation. Its conclusions are as follows:

"Preparation of a basic consolidation plan might well be entrusted to the Department, which has over-all responsibility for national transportation programing, and which has particular responsibility for planning route patterns for land, air, and water transport. Since these responsibilities have been recommended for the Department and since the Department has already agreed that it represents the most appropriate agency for the centralized coordination of these planning functions, the Department also believes that it should have the initial responsibility for planning railroad consolidations."

The Department agrees that a considerable part of the fisheries functions has to do directly with commercial operation and international agreements, but points out that it is difficult to distinguish between

suggests that there should be some way to simplify a system which required a GAO audit in detail of each transaction which the ECA Controller has already audited.

Mr. Hoffman also adds an endorsement of the report on general services. He states that "We have in ECA successfully grouped together these functions of supply, records management, and space which are proposed for the Government-wide Office of General Services. While the method of operation of the proposed office would necessarily be different, I see no reason why such an arrangement should not work well for the Government as a whole."

The full text of Mr. Hoffman's letter follows:

ECONOMIC COOPERATION
ADMINISTRATION,
Washington, D. C., July 13, 1949.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures
in the Executive Departments,
United States Senate, Washington,
D. C.

MY DEAR SENATOR: This letter is in response to your request of May 23, 1949, for a report relative to the various recommendations and textual discussions in the reports of the Commission on Organization of the Executive Branch of the Government which affect the Economic Cooperation Administration. Each report affecting ECA is discussed separately. While the Commission made no study of ECA's organization, it has made a number of recommendations which would affect ECA if adopted.

FOREIGN AFFAIRS

Based upon my experience in ECA, I believe the general organizational concepts of the Commission with regard to foreign affairs are sound. The establishment and successful operation of ECA as a separate agency, working in close collaboration with the State Department as well as other agencies, seems to me to indicate the wisdom of the suggested arrangement.

The recommendations of the Commission with respect to the authority of the Diplomatic Mission Chief would appear to suggest the need for some change in the existing arrangements between ECA and State in the participating countries. The present arrangements under ECA's basic act have, in my observation, worked very smoothly. These place responsibility on the Chief of the Diplomatic Mission for "assuring that the operations of the special mission (ECA) are consistent with the foreign-policy objectives of the United States," and provide for appeal to the special representative, to the Secretary of State, and to the Economic Cooperation Administrator if differences are not resolved. While on paper this arrangement appears cumbersome, in practice it has worked well. I would find my responsibility for conduct of the ECA program greatly complicated by any change in these arrangements. In any case, it would certainly not appear wise to make basic statutory changes in the organization of a short-term agency such as ECA, unless there were compelling reasons for such changes. To my knowledge there are no such reasons.

OVERSEAS ADMINISTRATION

I am interested in the Commission's recommendation that Congress direct a comprehensive study of the problems of administration of overseas programs.

With respect to the Commission's suggestion that ECA and other agencies having overseas programs be included in an Administration of Overseas Affairs, I have two comments: First, as indicated above, it would appear unwise to make any basic statutory changes in the organization of a short-term agency such as ECA, more or less in mid-stream. Second, the proposed combination in one agency of such functions as government of Territories, the American Battle

Monuments Commission, and Philippine Rehabilitation, and the kind of economic dealing with sovereign states carried on by ECA appears somewhat anomalous. Because of the vastly differing relative importance of these programs in United States foreign policy and the diversity of functions involved, this consolidation in one agency could readily result in loss of sufficient emphasis on the major tasks.

GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

In general, ECA has been able, because of freedoms permitted it under its authorizing and appropriation acts, to follow most of the basic principles suggested by the Commission in its recommendations on general management of the executive branch, and particularly those dealing with departmental management. The application of these principles in ECA has worked well.

Under the Foreign Assistance Act, the administration has had wide latitude to organize ECA, to appoint its staff, and to control its administration. Without this latitude the job would have been very much more complicated.

The staff organization of ECA corresponds closely to that recommended in the report, even though the names of the offices are not identical.

Paralleling the recommendations of the report, we have given emphasis to the organization and management function.

While we do not have a field service comparable to those of agencies operating in the United States, we do have the Office of the Special Representative in Paris, and the European country missions, as well as missions in China and Korea. In the spirit of the Commission's reports, we have delegated maximum discretion to the field. Instead of providing a central control office in Washington, through which business in the field is regulated, we have encouraged direct dealing by the divisions in Washington with their opposite numbers in the field. A special assistant for overseas administration in the Office of the Director of Administration keeps a watchful eye out to see that appropriate arrangements are made for guiding and servicing the overseas establishments.

PERSONNEL MANAGEMENT

I believe the Commission's recommendations with respect to pay are in the right direction. ECA has had the advantage of 25 positions which can be paid rates above \$10,000 per year but not in excess of \$15,000. This provision has enabled us to recruit staff of a caliber we simply could not have obtained under usual Federal pay rates. The result has been, I am sure, to save the Government money by enabling the agency to emphasize quality rather than quantity.

BUDGETING AND ACCOUNTING

ECA has had the benefit of a simple appropriation structure. It seems to me this should work as well for other agencies which apparently now have very numerous detailed and restrictive appropriations.

In connection with the recommendations for strengthening the administrative management work of the Bureau of the Budget, I should like to report that ECA has drawn heavily upon this part of the Bureau. Three of our key officials were secured from the Bureau and a number of its experts have been made available to us on a temporary basis. If the Bureau were equipped to provide equivalent service to all agencies, it would in this way make an important contribution to governmental operations.

If I understand the report correctly, there is at present no single place in the executive branch for the maintenance of the central accounts of the Government, the development of accounting systems for use throughout the Government, and the preparation of financial reports. I don't know how a business could operate under such a diffused

arrangement. Strengthening the Treasury Department in this respect appears logical. With respect to auditing, it would appear that there should be some way to simplify a system which required the GAO to audit in detail each transaction which the ECA controller has already audited. The Commission's recommendation for a simple or business-type of audit appeals to me.

OFFICE OF GENERAL SERVICES—SUPPLY ACTIVITIES

ECA would be serviced by the proposed Office of General Services, so the suitability of the proposed Office is of interest to us. We have in ECA successfully grouped together those functions of supply, records management, and space which are proposed for the Government-wide Office of General Services. While the method of operation of the proposed Office would necessarily be different, I see no reason why such an arrangement should not work well for the Government as a whole.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

TRIBUTE TO THE LATE ALEXANDER F. WHITNEY—ARTICLE BY JAY FRANKLIN

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a very beautiful article written by Jay Franklin on the life and work of Alexander F. Whitney.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE, THE PEOPLE: THE END OF THE RUN (By Jay Franklin)

The sudden death of Alexander F. Whitney, president of the Brotherhood of Railway Trainmen, removes from public life one of the great servants of the American people. Had he devoted the same talent and energy to the making of money as he did to the security and welfare of the men on whom the economic life of the Nation depends, he would have died a multimillionaire. Instead, his memorial is found in the great body of railway labor whom he led and whose interests he promoted.

Even in his late seventies, when most public men become either living monuments or stuffed shirts, he had a gaiety, a lightness of touch, combined with determination and courage, that set him apart from the scowling huskies who had long supplied cartoonists with their raw material for attacks on the right of working people to organize and bargain for their common interests.

He had, as his secret weapon in the long struggle for welfare, a great fund of moral courage, derived largely from his boyhood as the son of a poor Methodist preacher in rural mid-America. This courage carried him through the bravest single episode in our recent public life: his decision to support wholeheartedly for reelection President Truman, who had handled him roughly in the railway strike of 1946 and whom Whitney had vowed to defeat. For self-conquest of this kind is rare in any walk of life and there are few men who dare acknowledge publicly that their previous public position was in error.

It is hard for me to write dispassionately of A. F. Whitney. He was not only a political associate of mine for many years but was also a warm personal friend. He did not give his word or his friendship lightly, for when he gave it he went all the way. In one of my last talks with him, he told me that never again would he have any part in calling a Nation-wide strike of railway workers. He recognized that the public convenience and necessity was, in fact, paramount and that the welfare of the brotherhoods could not be

promoted by placing them in antagonism to the public interest, no matter how justified their grievances.

During the last campaign, he made the greatest single contribution to President Truman's victory. He recalled the brotherhood's ace negotiator, Walter Munro, from the wage conference with the operators at Chicago, in order to be on hand to give advice and serve as liaison with the White House. This, in effect, meant the sacrifice of several cents an hour, at a time when every cent meant millions of dollars. He believed, quite justifiably, that the reelection of an administration which was friendly to labor would serve as greater protection to the workers than any specific wage agreement.

His passing marks the end of a career which was as typically American as that of Henry Ford or Harry Truman. As a poor boy he had to make his way and he rose to the top and held his position, by his own efforts and because he was wise enough to realize that power in a democracy depends on making yourself useful to large numbers of people.

Here was a big man who did a big job and was fighting, gaily and gallantly, to the very end of the long run. He died as such men should die: quite suddenly, while still active and interested in the work which lay before him. The world is the poorer when men like him leave it, though in this case his legacy speaks for itself in the existence of a stable, noncommunist, middle-of-the-road, middle-class organization of the men and women whom we all need to keep the country moving, working, and living.

APPROPRIATIONS FOR FOREIGN AID

Mr. HAYDEN. Mr. President, I submit a unanimous-consent request, and ask that it be read.

The VICE PRESIDENT. The Secretary will read the request for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, in connection with H. R. 4830, the Foreign Aid appropriation bill for 1950, the majority and minority leaders of the Senate be, and they are hereby, authorized to fix a time for the consideration of the motion entered on July 28, 1949, by the Senator from California [Mr. KNOWLAND] to reconsider the vote of the Senate sustaining an appeal by the Senator from Ohio [Mr. TAFT] from a decision of the Vice President overruling a point of order made by the Senator from Illinois [Mr. LUCAS] that, notwithstanding the question of germaneness of an amendment of the Committee on Appropriations relating to the purchase of surplus agricultural products had been decided by the Senate in the affirmative, it was nevertheless in order to make a point of order against the amendment as being general legislation on an appropriation bill.

Ordered further, That the entering of the motion to reconsider the said vote shall in no wise interfere with the right or authority of the Committee on Appropriations in the meantime to consider said bill and to report same to the Senate, or with the right of the Senate to proceed to its consideration: *Provided, however*, That in this connection all points of order be, and they are hereby, waived with respect to any amendments that may be reported or offered by the said committee or that may be offered from the floor, and that all such amendments shall be considered upon their respective merits.

Ordered further, That final action upon the motion to reconsider shall in no way be deemed to affect any action taken by the Senate in the meantime on the said appropriation bill, and that it shall have effect only as a precedent of the Senate.

Mr. HAYDEN. Mr. President, I may state that the proposed unanimous-consent agreement was drafted by the Parliamentarian at the suggestion of the Senator from Nebraska [Mr. WHERRY]. In the first paragraph it is proposed to hold in status quo, so to speak, the motion made by the Senator from California [Mr. KNOWLAND] to reconsider the vote by which the ruling of the Chair was overruled on an appeal by the Senator from Ohio [Mr. TAFT].

Holding that in abeyance, the second part of the proposed unanimous-consent agreement is that the Committee on Appropriations shall proceed with the consideration of the European recovery bill and bring it back to the floor of the Senate, that all points of order against legislation on an appropriation bill will be waived, and that the bill, with the amendments, may be taken up on its merits—in other words, may be passed by a majority vote. That is the sum and substance of the proposed unanimous-consent request.

Mr. LUCAS. Mr. President, reserving the right to object, I invite the attention of the distinguished Vice President and Members of the Senate to the fact that on Wednesday, July 27, when the Senator from Illinois made the point of order that a certain amendment to the bill was legislation on an appropriation bill, in the first instance that point of order was not acted upon, but later the Senator from Arkansas [Mr. McCLELLAN] made the point about germaneness, and the Senate passed upon that question. Later the distinguished Vice President ruled that in view of that fact, the point of order which the Senator from Illinois made that the amendment was legislation on an appropriation bill was not well taken. Then the Senator from Arkansas raised a different point of order, which caused the bill to be sent back to the Committee on Appropriations.

In the event a motion to reconsider that vote is made, the Senator from Illinois will make the point of order against the motion to reconsider that there is nothing before the Senate to reconsider.

Mr. HAYDEN. That is contemplated in this proposed agreement.

Mr. LUCAS. I do not think it is contemplated at all in the proposed agreement.

Mr. HAYDEN. It is clearly understood in the Committee on Appropriations that until the bill gets back to the Senate, there can be no motion to reconsider.

Mr. LUCAS. But the Senator from California has already given notice of a motion to reconsider. Yesterday he rose and said:

Mr. President, on page 10478 of the CONGRESSIONAL RECORD of yesterday appears the vote by which the Senate did not sustain the ruling of the Chair. The RECORD will show that I voted on the prevailing side. At this time I serve notice that I shall move to reconsider the vote by which the ruling of the Chair was not sustained.

In other words, the Senator from Illinois contends that that is an academic question now, because the Senate has nothing before it to reconsider.

Mr. HAYDEN. The Committee on Appropriations understands that perfectly; but if the bill is brought back to the Senate by the committee, a motion to reconsider will be in order. We ask that that whole procedure be held in abeyance, and that we take up the bill and dispose of it, and then come back to the motion to reconsider. That is the purpose of the proposed unanimous-consent agreement.

Mr. LUCAS. Perhaps the Appropriations Committee understands it now, but certainly the Senator from California thought he was acting in good faith under the rule when he gave notice yesterday that he would move to reconsider.

The point I intend to make at the proper time, and it is a very important parliamentary point, is that once the Chair ruled that this bill should go back to the Appropriations Committee, that was the end of the matter, so far as the Senate was concerned, until the bill comes back again from the Appropriations Committee to the Senate, and especially in view of the fact that the bill went back to the committee on a different point of order than the one the Senator from California seeks to have the Senate reconsider the vote upon.

Mr. HAYDEN. Nevertheless, the motion to reconsider cannot be taken up in the Senate until the bill comes back from the committee.

In this unanimous-consent agreement we propose to lay that proceeding aside and to go on with the bill.

In this connection I may add that I have talked with the junior Senator from Nebraska [Mr. WHERRY], who is the ranking minority member of the Committee on Rules and Administration. I have also conferred with the Vice President and with the Senator from Ohio [Mr. TAFT]. All of us agree that the rule with respect to what can be done by the Senate in regard to legislation inserted by the House of Representatives in an appropriation bill is not clear, and we are going to make an effort to remove that vagueness.

There is also the question of the utter futility of sending the bill back to the committee. That should be reconsidered. This very question of germaneness should be reconsidered by the Senate.

I can assure the Senate that the Senator from Nebraska and I, as members of the Committee on Rules, will confer with other Senators and will see if we can straighten out some of our archaic rules, so that the Senate may proceed without interruption.

Mr. LUCAS. Mr. President, I am totally in agreement with the Senator as to the chaos occurring under the rules, as we have seen the situation develop in connection with this matter. However, the point in connection with the proposed unanimous-consent agreement is not what we are going to do in the future in connection with a possible change in the rules, but it is what we are going to do now about waiving all points of order with respect primarily to the two-thirds rule as to the writing of legislation into an appropriation bill.

Mr. HAYDEN. Mr. President, if the Senator wishes to know my own feeling, let me say that we are very much behind in the enactment of all the appropriation bills, and we cannot get action upon them promptly unless something along the line we have suggested is done; at least, that is the easiest way to get prompt action, and that is why the agreement has been proposed.

Among the appropriation bills yet to be acted upon by the Senate are the independent offices appropriation bill, which is the pending business at this time; the Interior Department appropriation bill; and the military department appropriation bill. All these bills are jammed up. I am trying to get action taken on them, and the method we propose will result in action.

Mr. LUCAS. Mr. President, I share the Senator's desire, but I hope he is not saying to the Senate that unless we follow the procedure he suggests, we will not have action taken on the ECA appropriation bill. That would seem to be the implication.

Mr. HAYDEN. I say that the way we propose is the easiest way.

Mr. LUCAS. That may be, but at the same time it seems to me that the way now proposed would do quite a good deal of violence to some of the very important rules of the Senate.

Mr. HAYDEN. I am primarily interested in speed, so far as I am concerned.

Mr. WHERRY. Mr. President—

The VICE PRESIDENT. Has the Senator from Illinois concluded?

Mr. LUCAS. Mr. President, I still reserve the right to object.

The VICE PRESIDENT. Very well.

Mr. WHERRY. Mr. President, I wish to concur in what the Senator from Arizona has said with respect to the unanimous-consent request. The Senator from Tennessee [Mr. McKellar] appointed a subcommittee to wait upon the majority and minority leaders and also upon other Senators who are interested in the motions which have been made.

This request is in two parts. The first part simply leaves in status quo every right the Senator from California [Mr. Knowland] has in reference to the notice he served on the Senate that he would move to have the vote reconsidered whenever the bill is returned to the Senate. This part of the request reserves every right every Senator has with respect to what is encompassed in the parliamentary situation relative to what has been done in connection with the history of this bill. That is the purpose of the first part of the proposal, the idea being, as the Senator from Arizona has said, that it is most important to expedite the passage of these bills, if we can possibly do so.

The second part of the unanimous-consent request is the one about which I think there might be some issue. It simply provides that the right to raise a point of order against any amendment to this bill which we have not yet considered shall be waived and that the bill shall be taken up where we left off considering it, including the McClellan amendment. It waives the right to exer-

cise or assert points of order and to call for a two-thirds vote by way of suspending the rule. If we do that, we shall take up the amendments on their merits. Any Senator who objects to that, certainly should not join in the proposed unanimous-consent agreement.

To my mind, the agreement covers the only point at issue as to the ECA appropriation bill. Of course, it would have to be made to apply to any other bill which was desired to be considered.

Mr. President, how else can we proceed in this matter? I have given this subject a great deal of thought, and some of the other members of the committee have likewise done so, as have some of our best parliamentarians.

Of course the Appropriations Committee could strip the bill of all amendments, and could report it to the Senate as a skeleton bill; and then Senators could offer the amendments from the floor—under the theory, which is maintained by the majority leader, that there should be a two-thirds vote to suspend the rule before any amendment involving legislation could be considered in connection with an appropriation bill.

But, Mr. President, if that is done, we shall be here a long time, because this is not the only appropriation bill carrying amendments proposing legislation. We have three or four more bills coming up that are just as controversial as they can be. No one knows what will happen in connection with those bills. If, in order to prevent the bill from being sent back to the committee for reconsideration, we have to offer from the floor all the amendments which the committee already has gone over so thoroughly and has considered so carefully, I think the Senator from Arizona, who has had so much experience with these matters, and the Senator from Tennessee [Mr. McKellar], the chairman of the committee, who has also had very long experience with these matters, will agree that in that case we shall be here for some time. Certainly there can be no question about that.

That was why I joined in the unanimous-consent proposal—to try to expedite the handling of the appropriation bills.

Mr. BYRD. Mr. President, I think the last course the Senator has mentioned is the only one we can pursue, namely, to strip the appropriation bills of all amendments or parts which relate to legislation.

I wish to be frank about the matter, and to say that I shall be compelled to object to the proposal.

Mr. WHERRY. Does the Senator from Virginia mean he will object to the proposed unanimous-consent agreement?

Mr. BYRD. Yes; because I think a very important matter is involved, namely, the Appropriations Committee is attempting to write legislation into an appropriation bill. It was never contemplated that that could be done by majority vote, but only by two-thirds vote.

Now the Senator is proposing that we proceed in a way in which we have not proceeded heretofore; for many years an

entirely different procedure has been observed. In other words, the Senator from Nebraska proposes that the Senate act by majority vote on amendments proposing legislation on appropriation bills.

Mr. WHERRY. My suggestion relates to the ECA appropriation bill. Of course, as a matter of fact we are doing that every day. In the independent offices appropriation bill we were doing that yesterday on item after item.

Mr. BYRD. But we are not doing it when a point of order is made.

Mr. WHERRY. We were doing it on the theory that most of the amendments are limitations or are otherwise acceptable.

Mr. President, it seems to me we must be consistent. If we are going to have points of order made in regard to the ECA appropriation bill and require the committee to strip all the amendments from that bill, that will mean that, as the bill is returned to the floor of the Senate, a two-thirds vote will be required before any amendment containing legislation can be considered in connection with that bill. If we are going to pursue that course in connection with the ECA appropriation bill, certainly that procedure should be followed in connection with all the other appropriation bills, because if such amendments are regarded as legislation on the ECA appropriation bill, similar amendments must be regarded as legislation on other appropriation bills.

However, in connection with the independent offices appropriation bill we have been adopting amendment after amendment, for instance, the one on page 19, but no points of order have been made as to them.

If the majority leader is going to insist on his right to say when he believes the Senate should impose the two-thirds rule, then we shall have to be consistent and apply it to all appropriation bills. If that is done it is going to take a long time to have adopted the amendments to all the appropriation bills, and any Senator, if he does not have his amendment agreed to, may make a point of order against the bill, and thus all the bill may be recommitted to the committee.

Mr. BYRD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. WHERRY. I yield.

Mr. BYRD. The minority leader may take that position; but other Members of the Senate do not believe there should be legislation on appropriation bills, and I happen to be one of them. Unless some very material question were involved, I doubt whether a Senator would be justified in making a point of order, but in this particular bill, Mr. President, there are at least four or five very vital amendments, which constitute legislation on an appropriation bill. The Senator does not contend, I imagine, that heretofore we have acted on such amendments by a majority vote when a point of order has been made.

Mr. WHERRY. No.

Mr. BYRD. That is the responsibility of individual Senators.

Mr. WHERRY. That is correct.

Mr. BYRD. It is not the responsibility of the majority leader.

Mr. WHERRY. I am not quarreling with that argument. I stated the proposed unanimous-consent agreement would apply to the ECA bill.

Mr. BYRD. It would establish a precedent, Mr. President, and I want to be very frank in saying I shall object to it. I think it is wrong. I do not believe we should write legislation on an appropriation bill by a majority vote. Where a vital question is affected as in this instance, I, for one, intend to object to such a proposal.

Mr. WHERRY. Does the Senator want to reserve his right to object?

Mr. BYRD. I serve notice that I am going to object.

Mr. ROBERTSON and Mr. TAFT addressed the Chair.

The VICE PRESIDENT. The Senator from Nebraska has the floor. On a reservation, the Chair will recognize the Senator from Virginia in his own right, as soon as the Senator from Nebraska has finished.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. I, of course, share the views of the senior Senator from Virginia, that it is not a desirable practice for the Appropriations Committee to write legislation on an appropriation bill, or to attempt to do so. The distinguished minority leader will no doubt recall that when the McClellan amendment was presented to our committee, I made a parliamentary inquiry. I asked the Chairman whether a member of the committee was privileged to make a point of order that the amendment was legislation on an appropriation bill and therefore was improper for the committee to consider. The Senator will recall that, no doubt. He will also recall that the Chairman advised me not to make the point of order, but that, if I did, it would be overruled. I then said, "I have no real objection to the committee considering this and other amendments on their merits, so far as I am concerned." I thought it was in violation of the rules of the Senate, but we have a very friendly relationship in the Appropriations Committee, and we were only seeking to do what we thought was best for the country. The amendments were adopted, and we face a very serious problem of whether we shall announce to all the world that what we have said was a vital and important component part of our program to preserve the peace shall be left without funds, day after tomorrow.

Mr. LUCAS. A continuing resolution has been adopted.

Mr. ROBERTSON. Even with the continuing resolution, it is not in my opinion a very happy solution of the problem. The Appropriations Committee I understand would like to bring the ECA bill back to the Senate promptly, if we can get an agreement in this emergency to let the amendments come before the Senate, for this time and, as I understand, without constituting a precedent, in view of the conflicting opin-

ions as to what we are doing, and in that way expedite action on the bill.

Under those circumstances, Mr. President, I very much hope the senior Senator from Virginia will not object. I agree with him in principle, but we face a very serious emergency, and if it be clearly understood that this is not to be a precedent, I hope the Senator will agree that we may take up the ECA bill, pass it, let it go to conference, where all the differences may be ironed out, so that this important legislation may be enacted into law.

Senators who are members of the Appropriations Committee will recall that we have on our military supply bill some legislation. One feature relates to the Renegotiation Act. It is a very vital principle.

Mr. BYRD. Mr. President, if the Senator will yield, why was it the Appropriations Committee wrote legislation on the bill? This action has created this controversy. The Senate has not created it. Why was it the committee wrote what is clearly legislation on this particular bill? If they had not done that, the situation which now confronts us would not exist. Why did not the 21 members of the committee vote against every one of them?

Mr. ROBERTSON. I was only 1 of the 21.

Mr. BYRD. In this instance, the Appropriations Committee exceeded its authority. My colleague will agree to that, will he not?

Mr. ROBERTSON. They were adopted over my vigorous protest.

Mr. BYRD. But the committee exceeded its authority in including amendments which would be subject to a point of order, and the Senate under the rules can only approve such legislative amendments by a two-thirds vote.

Mr. WHERRY. Mr. President, I want to yield the floor, because I think the presentation has been made in all its aspects. I should like to say one or two more things in conclusion, however. I am not arguing the point of order. I am not arguing what right the Senate has or does not have. I admit all the things which have been said by the distinguished Senator from Virginia, but I say that every appropriation bill which comes out of the Senate and every appropriation bill which comes out of the House, if you please, contains legislation. If we were to take this bill and strip it of all the legislation the House wrote into it, there would not be very many pages of it left. That is true of every appropriation bill that is reported. The question is asked, why are such amendments written into the bills? The reason is that some of the very Senators who are on the floor at this moment come to the committee and request the committee to write them in, and, after a vote is taken, the amendments go in the bill. Certainly there is a difference between an amendment which Senators have passed upon and incorporated in the bill as a committee amendment, and an amendment which is merely offered from the floor of the Senate. That is what the committee is for. Very wisely, the committee has considered the amendments and adopted them only after a vote.

I agree with the distinguished Senator from Virginia that the two-thirds rule should be sustained in attacking especially amendments which are simply riders, containing provisions which are in no wise germane to the subject. In such cases, certainly the two-thirds rule should be applied. But in this instance the committee has adopted the amendments, just as the provisions were adopted by the House. We cannot even raise a point of order against any House provisions, though we can move to amend a House provision. In the Senate we do exactly what is done in the House, but when the bill comes before the Senate, it is claimed we have exceeded our authority. Such procedure has been followed for many years.

If Senators do not approve the amendments, they can, of course, vote them down. I do not want to be unfair about it. I do not want to misrepresent anything. I agree that if the unanimous consent request is granted, the right to make points of order and to require a two-thirds vote will be relinquished; the amendments will be considered on their merits, and determined by majority vote. I am only asking, however, for that to be done on the ECA bill. But I point out that it is not the only appropriation bill. There are those who are vitally interested in the ECA bill, because of the impact they say a failure to pass it may have. That is why I am pleading to have the bill again reported to the Senate with a minimum loss of time. But, if we are going to apply the general rule because there is legislation on an appropriation bill, I submit to the distinguished senior Senator from Virginia, it should not be applied to every amendment. If it is it ought to be applied to amendments to every appropriation bill until the rules are changed.

Mr. TAFT. Mr. President, if the Senator will yield, it has always been applied to every bill. Legislation on an appropriation bill has always been subject to a point of order. If the point of order is not made, the amendment goes through. But it has always been subject to a point of order. How is this bill different from any other bill? I cannot understand the Senator's position.

Mr. WHERRY. I am not going to argue the rule.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. I may say to the distinguished Senator from Ohio, the other day, when the Parliamentarian was asked this question by the junior Senator from Nebraska, "If we vote favorably on the question of the germaneness of the amendment, do we at the same time settle the issue of whether a point of order lies against it?" The Parliamentarian said, "Yes." The Senate voted on that question, at least, with the interpretation placed upon it by the Parliamentarian, and it seems to me that, to come back and argue it now, is a double-barreled proposition. The Senate, by that particular vote, settled the issue.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. I should like to finish this observation. I shall then be glad to yield to any Senator. I think there is a good deal of merit in this double-barreled proposition. I agree with the Senator from Ohio that probably this right should be preserved, but if it is, certainly there must be a change of the rule, even though this practice has been followed heretofore. We continually violate the rule when we place legislation on appropriation bills. It goes through on its merits, time and time again. Senators do not want to raise a point of order, because the bill may be one which they desire to have passed. It may be that no point of order will be made against the bill; but if we start from the beginning and go to the end, we shall find that appropriation bills are littered with legislation written in by the House.

I shall be glad now to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I call the attention of the Senate to the fact that in this particular bill, beginning on page 2, over half of the provisions on that page involve legislation. On page 3 practically two-thirds is legislation. The bill has been examined by the Parliamentarian, so I am speaking with authority. The first five lines on page 3 are legislation. Lines 18 to 20 are legislation. Practically all of page 5 is legislation. Three-fourths of page 6 is legislation. All of page 7 is legislation. All of page 8 is legislation. Approximately half of page 9 is legislation. Page 10 is all legislation, and page 11 is all legislation. Practically seven-eighths of the provisions of this bill involve legislation. Seven-eighths of it has been placed in the bill by the House. It is the most remarkable situation I have ever confronted since I have been a Member of the Senate.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. McCLELLAN. Mr. President, I desire to make a brief statement. It was certainly never contemplated or foreseen by me, at the time I sponsored this amendment, that any such parliamentary situation as this would develop. But since it has developed, I think there is a far greater and more important issue involved than the merits or lack of merits of the amendment. It was my purpose, because a point of order was made against this particular amendment, which I very much favor and should like an opportunity to present to the Senate on its merits, to have a majority of the Senate decide whether it is right or wrong, wise or unwise, to have it incorporated in the bill. But we are confronted with the situation which the able chairman of the Appropriations Committee has just now pointed out to the Senate. We are compelled by our rules to take by a majority vote the legislation written into the bill by the House. The bill comes to the Senate from the House loaded with legislation, and a majority vote is all that is required to eliminate it from the bill, and not a two-thirds vote, and it is not subject to a

point of order. If the Senate does not want to remain under those shackles, so far as legislation is concerned, then we should strictly enforce the rules.

All I want is to have the rules work both ways. If the position of the able Senator from Virginia [Mr. BYRD] is correct, then let us send all the appropriation bills back to the committee and strip them of legislation which the House put in. Let us have equal rights with the House of Representatives. I am casting no reflections upon anyone, but under the rule as it is today one Senator, if he does not like an amendment, can require a two-thirds vote.

I have no personal concern as to whether the amendment which I have offered is defeated—if defeated by a majority and not a two-thirds majority. The amendment has been maligned, misrepresented, and distorted by some of the press and others in its interpretation, intent, and purpose. All I wanted to do was to present it to the Senate on its merits and let the Senate act on it.

There are other legislative provisions in the bill besides this amendment. They were placed in the bill by the committee. When we appropriate billions of dollars to give away, taxing the American people to pay for it, we cannot anticipate at the time of the authorization just what the conditions will be at the time the appropriation is made. How could I know, how could other Members of the Senate know, that there would be a request to authorize and justify the expenditure of this tremendous amount of money for food products that are now in surplus over here? How could we know that a request of justification would be presented saying that \$2,000,000,000 worth of agricultural products in surplus would be needed? We did not anticipate it. If we are to be hamstrung so that we cannot guard, protect, and safeguard the interests of this country and the money we are exacting from the taxpayers of the Nation, if we cannot protect them in an appropriation bill unless two-thirds of the Senate agree to protect them, we are simply doing an injustice to the American people.

Mr. President, my amendment has been criticized as being "dumping." Is it dumping? This amendment does not require foreign nations to take one pound of cotton or one grain of wheat which they do not need; but we either dump these surplus products which they say are needed, in justification for the expenditure of the taxpayers' money, or we are going to dump millions of dollars which we exact from the taxpayers, through deficit spending, because the dollars are not in the Treasury. It will have to be borrowed and added to the national debt. Think of it. This amendment has been misrepresented and distorted. There has been a propaganda campaign operating against it, but if we study the amendment it will be found that it does not require the foreign nations to take one thing they do not need and have not said they wanted, and it does not require them to take the quantities suggested. It simply provides that the money is available for that pur-

pose only. It prevents them from practicing, whether intentionally or not, a fraud upon the Congress of the United States to get money out of our taxpayers by saying they want and need it for agricultural products, and after they get it spend it for something else. They say, "We need food; we are hungry." My amendment says, "All right; we will give it to you, but for that purpose only."

It has been said that we are wrecking the program. I think this is a very vital amendment, but if the rules of the Senate prohibit the receiving of an appropriation bill from the committee containing legislation, and if objections are to be made to such amendments on the ground that they are legislation in an appropriation bill, in order to require a two-thirds vote, I want to go back to the base rule which says such a bill shall not be received. So let us not receive them when they contain such provisions. If that is the program, I shall move to strike out every legislative provision the House has written in. Then we will find out how this rule operates and how the Congress can protect the American taxpayers under such a rule. We will have a two-thirds legislative government instead of a majority government.

Mr. President, it is not fair, because one administration or agency propagandizes, as one has been propagandizing against this particular amendment, to invoke the rule, and not expect it to be invoked against the whole bill.

Mr. President, I say, but not as a threat—I do not mean it that way—that if the integrity of the rules of the Senate is to be preserved, then when any appropriation bill comes in with legislation in it I shall feel compelled to suggest that, under the rule, it go back to the committee.

The VICE PRESIDENT. The question is, Is there objection—

Mr. WHERRY. Mr. President, I think I had the floor when I yielded to the Senator from Arkansas.

Mr. LUCAS. Mr. President, I do not think the Senator from Nebraska can continue to hold the floor and farm out the time. There are other Senators who desire to speak in their own time.

The VICE PRESIDENT. The Chair has been indulgent, because he felt that the Senate wanted to have this matter discussed.

Mr. WHERRY. Does the Chair think the Senator intended to take me off the floor after I agreed to yield?

The VICE PRESIDENT. Technically, probably the Senator could not hold the floor, but the Chair is not going to invoke the rule.

Mr. WHERRY. My reason for holding the floor was that the Vice President said something relative to some remark I made. I shall be glad to yield to any other Senator, or, if the Vice President would like to address a question to me, I should like to answer.

The VICE PRESIDENT. No; the Chair had something in mind at the time which he has not forgotten.

Mr. BYRD and Mr. TAFT addressed the Chair.

The VICE PRESIDENT. The Senator from Virginia is recognized.

Mr. TAFT. Before the Senator objects, I wonder if he would permit me to make a statement.

Mr. BYRD. Mr. President, I should like to make a brief reply to the Senator from Arkansas.

The Senator from Virginia did not precipitate this matter. It was done by my esteemed and able friend, the Senator from Arkansas. He made a point of order, I think, against five or six amendments in the bill, which he claimed constituted legislation on an appropriation bill, and upon his point of order the bill was sent back to committee.

There is a very vital principle involved in this question which I do not think we should overlook, namely, that the Committee on Appropriations is not a policy-making committee. That is recognized, as indicated by the fact that they are not permitted to report legislation to the Senate and have it adopted except by a two-thirds vote. The other committees establish the policies of the Government. They say what is authorized for appropriation, and the Committee on Appropriations is merely to recommend appropriations in accordance with such authorizations. That has been the principle upon which the Appropriations Committee and upon which the Senate has been organized, and upon which it has operated for so many years.

Members of the Senate well know that the Committee on Appropriations has the right to restrict an appropriation, but it has not the right to enter into a new field of legislation. I think that is a vital question because, with the power the Committee on Appropriations has, if we give it the right to recommend legislation and have it adopted by a majority vote, we are virtually turning over the committee organization of the Senate to the Committee on Appropriations.

As I said, I did not bring about this situation. I agreed with the Senator from Arkansas that the amendments proposed legislation, and he made the point of order, and had the bill sent back to the committee.

Let me suggest that the way to extricate ourselves from the situation which confronts us is to strip the bill of the legislation, bring it back to the Senate, and then submit the legislative proposals to a two-thirds vote. The question is whether we shall adopt legislation on an appropriation bill by a majority vote or a two-thirds vote.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. McCLELLAN. Does the Senator mean that we should strike out all legislative provisions inserted by the House?

Mr. BYRD. I agree with that. I did not agree with the Senator from Arkansas when he said a few minutes ago that the Senate was compelled to accept legislation written into an appropriation bill by the House. There is no compulsion on the Senate.

Mr. McCLELLAN. I said by majority vote.

Mr. BYRD. I understood the Senator to say that the Senate was compelled to accept legislation. Let us not forget that legislation is put into an appropriation bill by the House under the rules of

the House. There are certain procedures through which they must go, as Senators who have served in the House know. They have their rules, and we have our rules. Our rule is specific, namely, that no legislation shall be written into an appropriation bill except by a two-thirds vote. The motion now pending is to set aside that rule in one specific case, it may be true, but if we agree to this we have established a precedent, namely, that of adopting legislation on an appropriation bill by a majority vote.

I have no desire to delay the proposed legislation at all; but as one Senator who feels bound by the rule as to legislation, I expect to exercise my privilege to raise objection to the unanimous-consent agreement, because I believe it is the duty of the Senate to adhere to the basis on which it is organized, namely, that the Committee on Appropriations is not a policy-making committee. If they had the right to originate legislation and to say what items should be authorized for appropriation, the rest of the Senate would practically abdicate its entire power to the Committee on Appropriations. That is not the way the Senate was organized, it is not the way it has been operated. Ever since I have been a Member of the Senate any Senator has had a right to object to any legislation on an appropriation bill. I have seen vote after vote taken, when a two-thirds vote was required to insert legislation.

Mr. President, I do not desire to foreclose debate, but I expect to make my objection to the unanimous-consent request.

Mr. TAFT. Mr. President, I made the motion to appeal from the decision of the Chair the other day, so I think I should state my conception of what the vote of the Senate meant when we voted the other day. I do not think those who voted had any intention whatsoever to reverse the rules of the Senate as I have known them since I have been a Member of the Senate. We have pursued a perfectly uniform practice. Everyone has agreed what the rule has been. Everyone has agreed that if an item of new legislation is brought in on an appropriation bill, a point of order may be made against it. I think everyone has agreed—although here there is some slight difference—that if the House has inserted new legislation it has opened the door on that particular subject, and therefore a Senate amendment dealing with that particular subject is in order without being subject to the two-thirds rule.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. Certainly I yield to the Senator from Virginia.

Mr. BYRD. The Senator speaks of the House inserting legislation in an appropriation bill. That cannot be done except by unanimous consent, unless a special rule is brought in to authorize it.

Mr. TAFT. I understand that, but the ruling that has been made in the Senate for many years has been that if the House has dealt with a subject in new legislation we may amend that particular subject.

I think the Senator from Georgia [Mr. RUSSELL] goes much further. He says, in effect, that if the House has opened a matter at all and dealt with it by a legislative provision, the Senate can go on with any legislative provision, that the door has been open.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator by his statement stretches my interpretation of the rule somewhat.

Mr. TAFT. I meant to indicate only that the Senator took a somewhat broader view of what opening the door means than I do.

Mr. RUSSELL. Up until the vote on Wednesday, the rule was that if any legislative proposition were offered de novo on the floor of the Senate, or was brought in by the committee, it was subject to a point of order, and before it could be brought to a vote it was necessary to suspend the rule by a two-thirds vote. If the House has legislated in an appropriation bill with respect to any subject, any Senate amendment that is germane to the House legislation is in order and is not subject to a point of order. That has been the procedure in the Senate since time immemorial. Innumerable rulings to that effect have been made, all of which were overthrown by the action of the Senate Wednesday.

Mr. TAFT. Mr. President, I should like to finish my statement, if the Senator does not mind. I am glad to yield for a question, but I should like to conclude my statement.

Mr. RUSSELL. I shall not interrupt the Senator further.

Mr. TAFT. The Senator states the rule substantially as I understand it, and I think substantially as the Vice President understands it, because I have discussed it with him. I think the Senator from Georgia has a somewhat broader idea than I would have respecting what can be brought into the Senate under that rule. As I understood his ruling the other day the distinguished Vice President feels that the amendments we have been considering are new legislation, in spite of the fact that the House did adopt some legislative provisions dealing with the ECA.

The motion I made was not against that ruling or any attempt to overturn that ruling, or overturn the rulings of the previous Presiding Officers of the Senate. I objected to the action which was taken after the Senate had voted that something was germane to the bill, not necessarily to the House language, for there is nothing in the rule that says germaneness relates to the House language. The only reason the words "germane or relevant" were written into the rule is that in most bills anything can be put into them regardless of germaneness or relevancy. It is only on appropriation bills that anything which is entirely legislation cannot be attached. Whether it is new legislation or not, the fact that it is not relevant shuts it out of an appropriation bill.

When I voted that the amendment was germane I voted that it was germane to the bill. I did not consider the ques-

tion whether it was germane to the particular House legislative provisions in the bill. When the Senate voted that an amendment was germane to the bill, and the Chair ruled that such action settled the question of its being new legislation, I protested.

So I do not think there is any great difference of opinion here. Quite an unusual situation was created by the Senator from Arkansas [Mr. McCLELLAN] when he invoked paragraph 2 in order to send the bill back to the committee. I think such a rule ought to be repealed. We should not have such a rule, and I am perfectly willing to vote to repeal it. The Senate committee cannot always judge correctly whether a particular provision is new legislation or not. Simply because the committee makes a mistake in thinking that a matter is not new legislation, and then the Chair rules it to be new legislation does not in my opinion justify sending the bill back to the committee.

Mr. President, I do not know why we should not proceed as we have always proceeded. Let the committee bring in a bill and let a point of order be made, if any Senator wants to make it on the ground that he considers it to be legislation on an appropriation bill, of course if such a point of order is not made, the item is adopted. Most legislation on appropriation bills goes through because Senators do not care enough about particular matters to raise a point of order respecting them.

Mr. President, 2 or 3 months ago certain Senators moved to cut appropriations in various appropriation bills 10 percent. Immediately objection was raised that that was legislation on appropriation bills, and those who made the motions could not have them sustained, because a two-thirds vote was required to sustain such motions. That is a perfectly proper provision in the rules. We should not abrogate that provision. But, Mr. President, I believe it is going pretty far to suggest that there be entered into a general-consent agreement that every amendment to this particular bill should be in order. In that respect I agree with the Senator from Virginia [Mr. BYRD].

The statement has been made that perhaps we can obtain an agreement from Senators who might want to make a point of order, not to make such a point of order. That might be all right. But I doubt whether it would be proper to attempt to reach a unanimous-consent agreement that anything in the bill or any amendment which may be offered to it, shall be considered to be in order, regardless of its being not germane or regardless of being new legislation. I think that would be going pretty far. Perhaps we can work out something that will not go quite that far.

I may say further that I do not believe that the motion to reconsider, made by the distinguished Senator from California, is in order when the bill is not before us. There may be a question about that. Certainly if we proceeded under the second part of the unanimous-consent request and passed the

ECA bill, there would be no purpose whatever in taking the time of the Senate to consider the motion to reconsider. I should not like to agree to the first part of the unanimous-consent request by which the motion should be reconsidered and passed upon after the ECA bill is passed. That is also an extraordinary proposal.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. I used to believe I possessed a certain amount of ability to secure unanimous consent. Does the Senator suggest that it would meet his approval that a unanimous-consent agreement be entered into?

Mr. TAFT. Mr. President, it seems to me the proper procedure would be for the Appropriations Committee to report the bill again, and ask that the rule be waived, which would require a two-thirds vote, and if we can persuade the Senators who are opposed, perhaps the Senator from Michigan and the distinguished majority floor leader will not raise points of order to the particular provisions in question. I think it might be well if the Senator could secure a unanimous-consent agreement to that effect.

Mr. WHERRY. The Senator means to get the consent of those who sponsor amendments and those who might desire to oppose them; to see if they might agree?

Mr. TAFT. If the distinguished Senators from Michigan and Texas would say, "We are willing to vote on these items on the basis of their merits," I do not see how any other Senator could object. The Senators in question may be willing to have that done. I believe it is not appropriate to ask that any amendment which may be presented to a bill be considered.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. I should like to know whether the appeal from the decision of the Chair acted to stay recommitment of the bill?

The VICE PRESIDENT. It did not. The bill is in the committee now.

Mr. LUCAS. Mr. President, I should like to make one further observation in respect to what has been said on this very important question. It seems to me it would be a rather strange procedure if the Appropriations Committee brought out a bill and then the Senator from Arkansas [Mr. McCLELLAN] or any other member of the Appropriations Committee should immediately raise the point of order that it contained legislation on an appropriation bill, and the bill should then be recommitted. It is a little difficult for me to understand how members of the Appropriations Committee could vote to report a bill from the committee, knowing that when it came to the floor of the Senate some Member of the Senate was going to make a point of order against it which would mean recommitment. If such a practice were to be continued we would never get anywhere

with respect to appropriation bills. Such a procedure however is all right with the Senator from Illinois.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator agrees, does he not, that such procedure is proper and in accordance with the rules of the Senate?

Mr. LUCAS. Yes, certainly I agree with that statement. But it is also the rule of the Senate that the Appropriations Committee shall not report legislation on an appropriation bill. If the Appropriations Committee reports legislation on an appropriation bill and it comes to the Senate, and a member of the Appropriations Committee raises a point of order against the legislation he has voted to report from the committee, that to me would be a strange and very unusual procedure upon the part of a Senator.

Something has been said about the Senate being in session for a long, long time considering appropriation bills. That is perfectly all right with the Senator from Illinois. I hope it will not be true that the Senate will spend a long time on appropriation bills. The Senator from Virginia, and other Senators who are vitally interested in the rule, are attempting to preserve the integrity of the rule upon what seems to me and other Senators to be vital, far-reaching and important amendments connected with the ECA program. Many people have an interest in the ECA program. Some individuals may not have an interest in it. But great masses of people are vitally interested in the ECA program.

So far as the question of time is concerned, I suppose continuing resolution after continuing resolution could be adopted, one after the other. The Chamber in which we meet is about the coolest place I have found since I have been in the Senate. It is cooler in this Chamber than it is in Illinois, and if the Senate desires to stay here interminably and consider appropriation bills or any other bills, the Senator from Illinois will be very happy to accommodate Senators who desire to remain.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. I do not desire to trespass for more than a moment on the time of the Senate. It seems to me, however, to be perfectly clear that the Senate would be very unwise to agree to such a provision as is under discussion. The language of the unanimous-consent request is as follows:

In this connection all points of order be, and they are hereby, waived with respect to any amendments that may be reported or offered by the said committee or that may be offered from the floor, and that all such amendments shall be considered on their respective merits.

Mr. President, under that language the compulsory health-insurance bill, the fair-labor-standards bill, the fair-labor-practices bill, the civil-rights bill, or any other bill that any Senator might desire to attach as an amendment to this bill could be offered, and we would have

waived any right to object to it. It would have to be discussed on its merits.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. BYRD. Mr. President, I should like to make a brief explanation. I have no desire to delay this legislation. I will cooperate in any other reasonable plan to bring the bill back to the Senate; but in the form in which the request has been submitted, I must object.

The VICE PRESIDENT. The Chair would like to take advantage of this situation to make some observations.

The Chair is only interested in the preservation of the integrity of the rules and in their proper interpretation and application. The Chair is sure that all Senators feel the same way. Once before the Chair has quoted Henry Van Porter, in the Amos and Andy program, "We are all brothers in the lodge." [Laughter.] We are interested in orderly procedure. The Chair wants to do whatever he can to help the Senate out of the predicament in which it finds itself.

In the first place, the Chair has never understood why, in the Senate, the question of germaneness must be submitted to the Senate without debate. In the House the Speaker passes on the question of germaneness, and he may hear as much debate as he is willing to hear, until he has been convinced one way or the other, that an amendment is in order or is not in order. There is always the right of appeal from his decision. But under this rule, if the question of germaneness is raised, the Chair must submit it to the Senate without debate. Senators come into the Senate Chamber after having been in committees or in their offices. A roll call is in progress, and they have not heard any discussion for or against the germaneness of an amendment, but they are required to vote on it. The Chair feels—and that is his own individual opinion—that that is a bad rule.

The Chair—whoever the Vice President may happen to be, or the President pro tempore, if there is no Vice President—should pass upon the question of germaneness, and allow every Senator to argue whether an amendment is germane. Every Senator should have the right to make up his own mind, and then have the right of appeal if he does not agree with the ruling of the Chair. So much for that.

The Chair agrees with the Senator from Ohio [Mr. TAFT], who has heretofore expressed his view, that this rule, providing that automatically a bill shall go back to the committee if it contains legislative matter, is a bad rule. It was adopted in order to operate as a restraint against the Committee on Appropriations, as a sort of penalty in the event it reported appropriation bills containing legislation. If a point of order were made against a bill on that ground, it would go back to the committee. It was supposed that that would operate to restrain the committee from reporting legislation in appropriation bills. Whether it has done so, the Chair expresses no opinion.

Whether or not that rule has accomplished its purpose, it could bring about the creation of a ridiculous situation in the Senate and in the committee. In the present case, if the bill were brought back with the same amendments in it, any Senator could make a point of order against the bill, and it would go back to the committee. That could go on ad infinitum, and ad nauseam, until both the Senate and the committee would be in a ridiculous situation.

We know that a quorum is always presumed to be present unless a point of order is made that a quorum is not present. It is the view of the Chair that all amendments reported in a bill, and all amendments offered from the floor, are presumed to be in order unless a point of order is made against them; and when the point of order is made against them on the ground that they are a violation of any rule, the Chair passes on the point of order, and his decision is always subject to appeal.

The other day, in regard to the question of germaneness of the McClellan amendment, the Chair followed a ruling of Vice President Wallace. The Chair feels that that ruling was utterly illogical. The Chair might have been justified in overruling it. The substance of it was that although no Senator made a point of order against the McClellan amendment on the ground that it was not germane, the mere suggestion by the sponsor of the amendment that it was germane, when no Senator made the point that it was not, required the Senate to vote on the question.

In the opinion of the Chair that creates an illogical situation, because an amendment is supposed to be germane unless some Senator makes the point that it is not. As the Chair observed at the time, it was supposed to be germane, because it was supposed to be an amendment to some House provision containing legislation. Otherwise it could not have been germane. The Senate was supposed to know what it was doing when it voted that it was germane.

Based upon the action of the Senate, the Chair decided that the further point of order, which had been previously made by the Senator from Illinois [Mr. LUCAS] lapsed because of the decision of the Senate on the question of germaneness of the amendment itself. That decision was overruled by the vote of the Senate, and probably wisely so. It may enable the Senate to extricate itself from this situation, whereas if the Chair had been sustained, the Senate might not be able to extricate itself.

As the Chair interprets the vote of the Senate overruling his decision, it left the point of order made by the Senator from Illinois good against the amendment, on the ground that it was legislation on an appropriation bill, in violation of the rule. The Chair did not mean to hold, and the Chair does not now interpret the vote of the Senate overruling his decision to mean, that the Senate may not take advantage of its rule against legislation on an appropriation bill, when an amendment is not an amendment to a specific legislative provision in the House language.

The Chair agrees with the decision of Vice President Marshall that when the House opens a door—not all doors, but one door—the Senate can walk into that door and make amendments which are germane to the House provision, and that when such an amendment is reported by the committee or offered on the floor, and any Senator makes the point of order that the amendment is not germane to the House legislative provision, that question must be submitted to the Senate for a vote.

But when the House adds to an appropriation bill a provision that is legislative, on any subject, and it comes to the Senate, the Chair does not believe, and did not mean to hold, and does not now interpret the vote of the Senate to mean, that Senators cannot make points of order against legislation dealing with other things not dealt with in the House legislative provision. If anyone interested got the impression that that was what the Chair meant, or that that was the opinion of the Chair as to what the Senate meant, and that Senators would be forbidden from making points of order against legislative amendments in the Senate if such amendments did not relate to and were not germane to a legislative provision in the House language, that was a mistaken impression, and the Chair does not wish to let that impression prevail.

Mr. McKELLAR. Mr. President, I should like to say a word or two on this question. I assure the Senate that the Senate Committee on Appropriations has no desire whatsoever to hold this bill up or retard its progress. I believe that every member of the committee would be delighted to get all the appropriation bills through promptly. We have worked very hard this year. We have worked night and day on appropriation bills. We have done our very best to get them through as rapidly as possible. There are two or three such bills on the calendar yet to be considered by the Senate, and some are in process of consideration.

So far as the committee is concerned it will make every effort to get the ECA bill back to the Senate as soon as possible.

On the other hand, I am very sorry to hear my brother Senators suggest that the committee is trespassing upon their preserves. The procedure for handling appropriation bills has been established for many years—many generations, for that matter. It has been in existence as long as I have been a Member of this body.

By reason of sending the bill back to the committee, because of the position the Senate has taken, we have gotten ourselves into a very bad predicament. Since it happened, we have had two full committee meetings, with the largest attendance we have had in the committee this year. At those meetings this matter was discussed, and we tried to iron it out. The committee appointed a subcommittee consisting of the Senator from Arizona [Mr. HAYDEN], the Senator from New Hampshire [Mr. BRIDGES], and myself, to take up the matter with our leaders and see if we could get them in

accord on some method by which we could consider this bill in the Senate and pass it. We want to pass it. The committee is tremendously interested in getting this bill passed as soon as possible. The committee did not send it back to the committee, but the whole matter was precipitated by my good friend the Senator from Illinois [Mr. LUCAS], when he took the position he did about the bill.

Mr. President, ordinarily appropriation bills go through promptly, as all Senators know. For instance, let us consider for a moment the independent offices appropriation bill, now the unfinished business. Ordinarily it is passed by the Senate in approximately 30 or 35 minutes. But this time it was argued all day, day before yesterday, and all day yesterday, up until a late hour last night; and it is not yet through the Senate. I do not know what trouble has arisen.

I appeal to my brother Senators to have some consideration for the Appropriations Committee, which is trying its best to do its duty faithfully and well. That is all we want.

We think all these questions might easily be voted upon and that we might agree to some procedure regarding them.

I wish to say that my friend the Senator from New Hampshire [Mr. BRIDGES], who preceded me as chairman of the committee, has been in hearty cooperation in the endeavor to work out a settlement. The other members of the committee have, for the most part, joined in trying to work out a settlement. We are not trying to impinge upon the rights of other committees at all. I hope that even yet some method can be decided upon so as to get this measure on the statute books.

The VICE PRESIDENT. By unanimous consent, if that may be given, the Chair would like to add an observation in regard to the effect of sending the bill back to the committee. Incidentally, the Chair would like to commend the Senator from Tennessee and all other members of the committee for their industry and hard work on the committee. The Chair thinks that committee is one of the most, if not the most, industrious and hard working committees in the Senate or in any other body.

The effect of sending the bill back to the committee under this rule is to place it in the same status it occupied before it ever was reported to the Senate in the first place. When it returns to the Senate, it returns de novo; everything which has been done on it in the Senate heretofore or was in process of being considered by the Senate is undone because of the procedure of sending it back to the committee. All amendments which were agreed to are then disagreed to, and must be acted on again when the bill is returned to the Senate.

The Chair is not passing on the question of the motion of the Senator from California to reconsider the vote by which the Chair's ruling the other day was overturned, although on the surface it would seem to be an academic question at this time, because when this bill returns to the Senate it returns under the same circumstances as those which surrounded it when it was first reported to the Sen-

ate. It must be considered again, page by page, just as it was in the first place.

The Chair suggested the other day a remedy for this situation, which he may have been presumptuous in suggesting. It was a very simple one, namely, that the bill be brought back to the Senate without the amendments. That has been done before; when a bill was returned to the committee, the committee reported it again, but without the amendments; and they were offered ad seriatim from the floor; and points of order were decided against them individually. That avoids the danger of having the bill returned to the committee again for the same reason which compelled its return this time.

Mr. BYRD. Mr. President, I wish to have my good friend, the Senator from Tennessee [Mr. McKELLAR], the chairman of the Appropriations Committee, whom I love very dearly, understand that I made no criticism whatsoever of the Appropriations Committee. That committee has a perfect right to bring in an amendment proposing new legislation on an appropriation bill, provided the committee moves to suspend the rule and to have a two-thirds vote taken on that question. So what I said is no criticism whatever of the committee. I admire the committee. The committee has done fine work, and especially has my friend the Senator from Tennessee, the able chairman of the committee.

My purpose is only to preserve the rules of the Senate. That is why I made the objection.

The VICE PRESIDENT. Objection having been made, the proposed unanimous-consent agreement is not agreed to.

Mr. LUCAS. Mr. President, I should like to say a word in regard to what the Senator has just said. We have made some progress on the ECA appropriation bill. In the opinion of a great many Senators, the fact that there was no disagreement on the amendment providing for a 10-percent cut, which amendment was adopted, is very significant, for that is the most important concession which has been made on this bill in the Senate.

So far as I am concerned and, I think, so far as all other Members of the Senate interested in this measure are concerned, we shall go along with what the Senate has done up to the McClellan amendment. In other words, I can assure the Senator from Tennessee that if the bill as next reported includes the work we have done thus far, up to the point of the McClellan amendment, I am certain it will be concurred in by the Members of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 4177) making appropriations for the executive office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] to the committee amendment on page 38, line 9. On this question the

yeas and nays have been ordered, and the Secretary will call the roll.

Mr. O'MAHONEY. First, Mr. President, I should like to say that when we recessed last night, we were discussing the amendment with respect to the Housing Expediter. The debate which was occurring when we took the recess last evening revolved around the question of what extent decontrol had proceeded throughout the country under the Rent Control Act of 1949.

The chairman of the subcommittee pointed out that the committee, having before it a new budget estimate, had reduced that estimate by a flat 10 percent.

We pointed out the testimony of the Housing Expediter that there had been only a few decontrol orders, and that those orders affected fringe communities, and that they would not involve very many employees.

The distinguished Senator from Alabama [Mr. SPARKMAN], who had charge on the floor of the Rent Control Act of 1949, was explaining the provisions which had been written into that act; and it was agreed among us, as the recess was taken, that perhaps it would be of great value if inquiry were made of the Housing Expediter for the latest information with respect to the progress of decontrol.

That information is now before us. There has been only a slight expansion of decontrol. The savings which are estimated to be accomplished by the dismissal of employees not needed to carry on the work amount to less than \$700,000. By means of the 10-percent reduction the committee has already made a saving of more than \$2,700,000; that is to say, we have made a reduction of \$2,000,000 in excess of the saving which could be accomplished by the reduction of personnel.

The Senator from Alabama has been in personal conference with the officials of the Office of the Housing Expediter, and I am sure he is prepared to discuss for the Members of the Senate the facts which have been presented to us.

Mr. SPARKMAN. Mr. President, in keeping with the suggestion made before we recessed last night by various Members of the Senate, and more particularly by the Senator from Florida [Mr. HOLLAND] who is now the Presiding Officer, I got in touch this morning with the Office of the Housing Expediter and asked for the very latest information as to decontrol actions that have been taken. By the way, at the time the hearings were held, 108 decontrol actions had been taken, involving, according to the testimony in the hearings at that time, 79 employees. To this date, the number of employees involved is 200. So, in line with the suggestion the Senator from Wyoming has just made, not only did the \$2,500,000 cut which was made by the committee cover the \$666,000 in savings which will be effected by reason of the reduction of the 200 employees, but there was taken into consideration at that time nearly half this number, because 79 had already been let out, and I think it is reasonable for us to assume that nothing was included in the budget estimate as presented by the Expediter

at that time, for those 79. However, Mr. President, moving on, I should like to refer to the offices that have been closed to this date.

Mr. BYRD. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. SPARKMAN. I yield.

Mr. BYRD. The Office of the Housing Expediter, on May 31, 1948, had 4,569 employees, and on May 31, 1949, 4,916. The bill provides 5,500, an increase of 600, without budget authorization, and without any protest being made by the House of Representatives. Is that correct?

Mr. SPARKMAN. I do not understand the Senator's reference to the budget authorization. There certainly was budget authorization in the request.

Mr. BYRD. I mean the recommendation.

Mr. SPARKMAN. Oh. Yes, when the request was presented to the Senate committee, it was presented with a budget clearance, as I understand, for 1,543 additional employees.

Mr. BYRD. There would be a total employment of 5,500; is that correct?

Mr. SPARKMAN. It would be a total of 5,500; that is correct.

Mr. BYRD. Did the Bureau of the Budget approve that?

Mr. SPARKMAN. That is correct.

Mr. BYRD. But does this increase by 600 employees the number provided through the action of the House?

Mr. SPARKMAN. This was not before the House at all. This was a supplemental estimate.

Mr. BYRD. I understand, but it increases the number of employees, compared to the number in the House bill, by 600, does it not?

Mr. SPARKMAN. That is correct, because this increase was not before the House. There was no budget estimate in it at that time.

Mr. BYRD. I was wondering why the employees could not be transferred from some other department. We are adding 300 a day, every day in the year, which adds to the pay roll about \$1,500,000 a day. If 600 more were needed, as indicated by the bill, why could they not be transferred, if they are not needed, from some other bureau?

Mr. SPARKMAN. Of course, that question is not involved here.

Mr. BYRD. The Bureau of the Budget has the right to make the transfers.

Mr. SPARKMAN. The question involved here is whether this number of employees should be authorized for this particular agency. The purpose of my discussion is to show why the increase is needed. As I stated last night before we recessed, it is not an arbitrary increase requested by the Housing Expediter. It is an increase which Congress itself directed him to make. In the Rent Control Act of this year, we directed him to have a man in every rent-control office to assist landlords, small landlords in particular, in filing their claims, and to assist tenants. That calls for 508. We likewise amended the law with reference to evictions, and directed the Housing

Expediter to tighten up on the control of evictions. In order to carry out that mandate of Congress, he has recommended the addition of 815 employees, who, he says, will be required.

There was considerable criticism in the course of the hearings, because surveys had not been made throughout the country as frequently as they should have been. Members of the committee insisted such surveys be made every quarter, and the Housing Expediter was pretty severely criticized in the matter. He is asking for 28 employees for the purpose of making those surveys, I might go on, to break it down, to show the total number requested.

But, Mr. President, getting back to the decontrol actions which have been taken, let me say, in region 1, no offices have been closed. In region 2, none have been closed. In region 3, none have been closed. In region 4, 10 offices have been closed, involving 49 employees, with a total saving for the fiscal year 1950 of \$171,974. In region 5, there have been 25 offices closed, 69 employees affected, with a total savings for the fiscal year of \$234,074. In region 6, there have been three offices closed, with seven employees affected, and with a total savings of \$27,578. In region 8, five offices have been closed, with 32 employees affected, and with a total savings of \$113,750. Since this statement was made up, four additional offices in region 4 have been closed, with 14 employees involved, and with a total savings of \$47,456. That makes a total of 47 offices closed, with 171 employees affected, and with a total savings of \$594,832.

Only this morning we were informed of additional offices which are to be closed. Those matters are pending. In Kansas, there are two, at Great Bend and Arkansas City, involving three employees in the first, two in the second. In Oklahoma there are six—at Stillwater, Shawnee, Ponca City, Muskogee, Enid, and Ada, each affecting two employees. In Utah, Provo City, two employees. In the State of Washington, Spokane, 10 employees. That gives a total of 29 employees, with a total savings of \$71,280, which brings the grand total to 200 employees affected, with a savings of \$666,112.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. I wanted to inquire whether the Senator has just made reference to the fact that the Spokane office is shortly to be closed.

Mr. SPARKMAN. That is true; with 10 employees to be affected, and with a savings of \$38,992.

Mr. CAIN. I thank the Senator.

Mr. SPARKMAN. In addition to that, Mr. President, there are these pending actions:

Dade County, Fla., by State legislature action, effective September 1, 1949.

Topeka, Kans., effective September 14, 1949.

Dallas County, Tex., effective September 14, 1949.

Orange County, containing Laguna Beach—I assume that must be California—effective October 1, 1949.

Austin, Tex., effective September 1, 1949.

Jacksonville, Fla.—the effective date is not given—and St. Augustine, Fla.

Those include all the actions planned for any early date.

Mr. President, I have been given a list of every decontrol action which has been taken, with its effective date. I think it might be informative to the Senate to have it placed in the Record at the end of my remarks, and I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. There is a breakdown showing in detail the number of employees in each individual office, together with the amount of savings, as well as the total. I ask unanimous consent that the table be placed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPARKMAN. Mr. President, I said last night that the Office of the Housing Expediter had been pretty well overrun with work since the enactment of the rent-control law this year. I stated that Mr. Woods had said that within the first 6 weeks, as I recall, of the life of the new law over a million applications had been given out for adjustments. We proposed that expeditious consideration should be given to those applications and that early action should be taken on them, and with that in mind we said that in each office there should be an employee who would have the explicit job of helping landlords to make out their applications.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. I have been impressed by the fact that since the law of 1949 became effective, more than a million forms for adjustments of rent in one way or another have been submitted throughout the country. Will the Senator from Alabama inform the Senate how many of those forms have been returned to the Office of the Housing Expediter for action? I think therein lies the substance of this controversy at the moment.

Mr. SPARKMAN. I cannot say how many have been submitted, but I have a statement which shows the number for May and June; and, as the Senator will recall, the so-called fair net operating income formula was not put into effect until the early part of May; I think it was May 2, but I am not sure.

Mr. CAIN. May I ask the Senator how many applications were submitted during the months to which he has just referred?

Mr. SPARKMAN. There were 33,034.

Mr. CAIN. I have been told, and I stand ready to be corrected, that 33,000 returned forms represent all the forms which have been submitted to the Office of the Housing Expediter, which indicates that we are not very much concerned with the million forms which were dispatched and sent out to tenants and landlords, but we are concerned with the workload resulting from those forms

Mr. O'MAHONEY. Mr. President, I am very glad the Senator from Delaware has made that statement, because it amply demonstrates that the word "confused" should not be applied to the Senator from Wyoming, but to the Senator from Delaware.

Mr. WILLIAMS. Does the Senator from Wyoming contend that the war is not over?

Mr. O'MAHONEY. The increase in the reserve fleet is because vessels which were utilized during the war are now placed in the reserve fleet and are under the care of the Maritime Commission. Therefore the personnel had to be increased for that purpose.

The committee amendment will have the effect of increasing the number of personnel from 4,313 to 4,554; that is to say, 241. That is an increase above the House figure. The increases are in the following categories:

Shipyards, from 96 to 104; warehouses, 150 to 162; reserve fleet, 2,019 to 2,240.

So the Senator will see that the increased personnel for the reserve fleet amounts to 221, and the other increases are in shipyards and warehouses. So the increase is not, as I stated at the beginning, in the item which the Senator from Delaware has been discussing.

Mr. WILLIAMS. I am not discussing the increase, necessarily. I am discussing the over-all picture of the Maritime Commission. If the amendment be adopted, reducing the amount 5 percent, the Commission will still have approximately $2\frac{1}{2}$ times as many employees as it had at any time prior to the war, and four times as many as it had in 1938. It will have more employees than it had 6 months after the war started. Certainly if we are ever going to cut back expenditures, now is the time.

The Senator from Wyoming last night emphasized the fact, and I am somewhat inclined to agree with him—the Senate agreed, anyway—that the General Accounting Office should have its full requested appropriation because it had done such a fine job. We all recognize that the Maritime Commission has done one of the worst jobs of any department in Washington. The General Accounting Office has stated that the books of the Maritime Commission were in the worst shape it had ever found them. The year before that it was stated that they were worse than they had even been up to that time. I think it is about time we put a check on the Maritime Commission. There is so much confusion there that if we can get rid of some employees, so that each one will know what his job is, it might be possible to improve the situation.

With the adoption of the amendment the Maritime Commission, over all, will have $2\frac{1}{2}$ more employees than it had prior to the war. I certainly hope the Senate will adopt my amendment.

Mr. O'MAHONEY. Mr. President, the committee has reduced the appropriation and the authority. On page 52, line 22, it will be observed that the House gave the Commission contract authority in the amount of \$70,125,000. The committee reduced that to \$50,000,000.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WILLIAMS. I should like to point out to the Senator once again that we are not discussing the amendment on page 52, line 22. We are discussing the amendment on page 51, line 21, involving the appropriation which covers employees. When we reach the next page, we will discuss that amendment.

Mr. O'MAHONEY. Mr. President, what the Senator says gives the impression that the committee has been increasing these appropriations. I want the Senate to know that on the over-all we have made a reduction in the amount of money which will be at the command of the Maritime Commission during the next fiscal year.

Mr. WILLIAMS. Mr. President, the Senator from Wyoming just made an excellent argument for the amendment I have proposed, because he says that on the following page he is going to propose a reduction in the amount of money which the Commission will have to spend; yet on page 51 he is going to give them more employees and spend less money.

Mr. O'MAHONEY. That is in the administrative field, which will be necessary, in the judgment of the committee, to carry on functions which cannot be avoided.

Mr. WILLIAMS. I still urge that the Senate adopt the amendment, and I do so particularly in view of the fact that the bill has been on the Senate calendar since July 8, and during this time 62 Members of the Senate have gone on record as favoring a 5 percent cut, exactly what I am proposing by my amendment. There is nothing in the resolution 62 Members of the Senate signed which suggests that appropriations be cut in all the departments except the Maritime Commission. No; we want to cut the Maritime Commission appropriation also.

Again, we are all trying to get on the band wagon, so to speak, by favoring a reduction in excise taxes. I want it to appear in the RECORD that, in my opinion, in answering the roll calls on the pending bill, we are voting on the prospective taxes which will be levied because if we cannot reduce these appropriations, it is idiotic to talk about reducing taxes.

AUTHORIZATION TO REPORT THE ECA APPROPRIATION BILL DURING RECESS

Mr. HAYDEN. Mr. President, at the request of the Senator from Tennessee [Mr. McKellar] I ask unanimous consent that the Committee on Appropriations may have authority to report back to the Senate H. R. 4830, the bill making appropriations for foreign aid, during the recess of the Senate between now and Monday.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, there will be no objection voiced by me, but I should like to ask the acting majority leader how long he thinks it will take to get action on the bill, if the Senate may care to take a recess. If he has

contacted the chairman of the Committee on Appropriations, I should like to have him tell us how long it is expected the committee will sit tonight. I make the inquiry because some of us are very much interested in getting the ECA bill in shape to report back.

Mr. MYERS. The Senator from Wyoming, as well as the minority leader, the Senator from Nebraska, are members of the Committee on Appropriations, and desire to attend the meeting which was called for about 5 o'clock. The majority leader has suggested that the Senate take a recess at 5:30.

The PRESIDING OFFICER. No objection being interposed, the unanimous consent request of the Senator from Arizona is agreed to.

Mr. WHERRY. Mr. President, does the Senator from Wyoming expect a vote between now and 5:30 o'clock on the pending amendment or any other amendment?

Mr. O'MAHONEY. I am not going to ask for any vote.

Mr. WHERRY. Some of the Senators who desire to go to the meeting of the Committee on Appropriations wondered whether there would be a vote.

Mr. FERGUSON. I am satisfied there will be a vote, because the Senator from Delaware is anxious for a vote.

INDEPENDENT OFFICES APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

Mr. AIKEN. Mr. President, I should like to have some information in connection with the appropriation for the Maritime Commission. On the top of page 53 I read this language:

*Provided further, That any funds and contract authority available for new ship construction under the limitation herein, and any funds and contract authority available for new ship construction in the Supplemental Independent Offices Appropriation Act, 1949, shall be available during the fiscal year 1950 in such amounts as may be necessary, in the wise discretion of the Commissioners in all the circumstances, for use in acquisition and completion of the vessels *Mariposa* and *Monterey*, or either of them, as authorized in the said Supplemental Independent Offices Appropriation Act, 1949.*

Mr. President, in reading the House committee report on the pending bill I find the following statement on page 32:

*In continuing this provision the committee wishes to make it clear that action taken is left to the discretion of the Commissioners, and that in acquiring the *Monterey* or the *Mariposa* or both from Oceanic and in their sale to another United States-flag operator it is to be understood that the Commission may resell such ships on mortgage terms or may contribute a construction differential subsidy to the cost of improvements to the vessels or both, but that it may not "bail out" Oceanic for its managerial mistakes.*

I see nothing in the text of the bill relating to the bailing out, or any prohibition against bailing out Oceanic because of managerial mistakes. Can the Senator from Wyoming advise the Senate what

those managerial mistakes referred to may be?

Mr. O'MAHONEY. Mr. President, the Senator from Vermont has addressed an inquiry to me with respect to the provisions in the bill dealing with the reconversion and improvement of the vessels *Mariposa* and *Monterey*. I am very happy the Senator has raised this question, because it aroused my interest in the hearings of the committee.

I have not seen the report from which the Senator read, but I listened to the language, and it is familiar to me. I am sure it is the report of the subcommittee he is quoting. The language to which the Senator referred, the warning against bailing out the owners, was in the subcommittee report, but it did not appear in the final report which came to us.

We checked upon this matter—and the Senator will find the evidence upon it—and because of that we did two things. We inserted the word "wise" in line 8, page 53, and the words "in all the circumstances" in the same line, so that there is an injunction in the bill which calls to the attention of the Maritime Commission the necessity of using its wise discretion in all the circumstances for the use and acquisition and completion of the vessels *Mariposa* and *Monterey*.

Mr. President, it appears that these two vessels, which were the property of the Oceanic Steamship Co., which in turn is a subsidiary of the Matson Line, were used by the Government during the war. They were, after the war, to be returned to the owners, that is to say the Oceanic Steamship Co. The owners were entitled to have them reconditioned, that is to say restored to the condition in which they were previously. It was desired, however, to have some improvements made. The bids apparently were secured by the Maritime Commission to have this work done at the Newport News shipyard at the price of about eight and one-half million dollars each.

Mr. AIKEN. Eight million two hundred thousand dollars each. That was the firm bid.

Mr. O'MAHONEY. That was the firm bid by the east-coast shipbuilding company, a well-equipped company. But the owners wanted the work to be done in the shipyards of the Matson Line on the Pacific coast. The work was undertaken and the cost greatly exceeded not only the bid which was offered by the east-coast shipbuilders, but exceeded the estimates of the Matson Line and the Oceanic Steamship Line itself, so that they were compelled to abandon the rehabilitation and reconversion and improvement.

An effort was made thereafter to have one of these vessels turned over to the Oceanic Co. for the amount of work which had already been done, and then that the Maritime Commission should take back the other ship, thereby relieving the owners of the burden of the managerial mistakes to which the Senator refers.

The Senate committee, in order to make certain that it should not be over-

looked, wrote this paragraph into the report:

The Senate committee has taken note of the report of the House committee concerning the ships *Mariposa* and *Monterey*. This committee wishes to stress that the Maritime Commission, with its discretionary power, should protect the interests of the United States in all such negotiations.

But as chairman of the committee I undertook to go a step further, and I wrote a letter to General Fleming, the Chairman of the United States Maritime Commission. I shall read the letter into the record. It will be in response to the inquiry of the Senator from Vermont. The letter was dated July 13, 1949, addressed to Maj. Gen. Philip B. Fleming, Chairman, United States Maritime Commission, Washington, D. C., and is as follows:

DEAR GENERAL: You will recall my telephone conversation with you shortly after the hearings on the independent offices appropriation bill at which witnesses for the Maritime Commission were heard. I called your attention at that time to the testimony with respect to the reconversion and improvement of the ships *Mariposa* and *Monterey*, which was given both before the House and the Senate subcommittees.

It was with this in mind that the Senate committee has written into its report, on page 10, the following paragraph:

"The Senate committee has taken note of the report of the House committee concerning the ships *Mariposa* and *Monterey*. This committee wishes to stress that the Maritime Commission, with its discretionary power, should protect the interests of the United States in all such negotiations."

Then I proceed in the letter:

In addition to the foregoing, the committee amended the paragraph of the bill dealing with the acquisition and completion of the two vessels by inserting the word "wise" before the word "discretion" and the words "in all the circumstances" after the word "Commissioners," so that the sentence reads:

Then I set it forth as it appears in the bill. The letter continues:

The purpose of these amendments was to emphasize the concern of the committee with respect to the action that may be taken for the restoration, improvement or purchase of one or both of these vessels.

It is my understanding that the cost of reconversion and improvement of the two vessels was so vastly in excess of original estimates and bids that the work was finally abandoned and that there has now been some discussion of applying the unpaid balance upon one of the vessels and having the Maritime Commission purchase the other. It is my understanding, further, that under the law the Maritime Commission may not acquire any vessel in these circumstances unless it has a known purchaser. Without such a purchaser a vessel now acquired by the Maritime Commission would in all probability have to be laid up with other vessels now in the reserve fleet.

The committee did not have sufficient time to hold a detailed hearing upon the matter and I therefore take the liberty of calling your attention to the circumstances which led the committee to amend the bill and to make the statement contained in the report.

Sincerely yours.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AIKEN. Does the Senator from Wyoming believe that that letter is sufficiently binding to prevent the Maritime Commission from bailing out the steamship company?

Mr. O'MAHONEY. Mr. President, I believe the Maritime Commission has been put sufficiently on notice so there is no danger of that.

Mr. AIKEN. Does not the Senator from Wyoming understand that three of the five members of the Maritime Commission are apparently in favor of bailing out this steamship company, and that one of them has already asked to have the matter reopened?

Mr. O'MAHONEY. I was not aware of that.

Mr. AIKEN. Furthermore, does not the Senator understand that when these two ships, the *Mariposa* and the *Monterey* were returned to Oceanic there was a flat allowance made by the War Shipping Administration on each vessel which ran between \$5,000,000 and \$6,000,000 for each one?

Mr. O'MAHONEY. I do not have the figures in mind. What the Senator says bears out what I said in the letter to General Fleming. The circumstances are as the Senator describes them, but what the exact figures were I do not know.

Mr. AIKEN. The War Shipping Administration made an allowance of \$6,000,000 on each vessel, and the ship company at that time expressed itself as being very well pleased with the deal. Then bids were called for, for the reconversion of the vessels plus some improvements which the company desired for itself. The Newport News Shipbuilding Co. bid \$8,200,000 on each of the vessels for reconverting them and fixing them up with improvements. Incidentally both ships are 18 years old. However, rather than let this firm contract to have the work done for \$8,200,000 for each ship, the Oceanic turned the business over to—

Mr. O'MAHONEY. To the Matson Line shipyard.

Mr. AIKEN. The United Engineering Co., which is a subsidiary of the Matson Line, and as the work progressed—it was about two-thirds completed on one of the boats and one-third completed in the other—it was found that it was going to cost, not the \$8,200,000 which had been bid by the Newport News Co., but more than \$15,000,000 per boat in the way the work was being done.

Mr. O'MAHONEY. Mr. President, I may say to the Senator that there are specific provisions of law already existing which I think must guide the Commission. One of these is section 215 of the Merchant Marine Act of 1936. Then there is section 502 (g) of the 1936 act, and section 501 (c). These sections provide the specific conditions under which the Maritime Commission may acquire vessels. It may not do it unless it has a present contract of resale so as to protect the Government.

Mr. SALTONSTALL. Mr. President, will the Senator from Wyoming yield?

FOREIGN AID APPROPRIATION ACT, 1950

JULY 30, 1949.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4830]

The Committee on Appropriations, to whom was recommitted the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 617, 470, 000
Amount of increase by Senate committee (net).....	¹ 30, 254, 000
Amount of bill as reported to Senate.....	5, 647, 724, 000
Amount of estimates considered.....	6, 322, 544, 000
The bill as reported to the Senate is under the estimates.....	674, 820, 000

¹ Although the foregoing tabulation indicates the Senate committee has recommended appropriations in this bill \$30,254,000 in excess of the House bill, in reality the committee is recommending appropriations which are \$479,871,420 below the House bill and \$674,820,000 below the budget estimates.

The Senate committee bill places the appropriation for ECA for fiscal year 1950 on a 12-month fiscal-year basis, whereas the House had authorized the use of the funds in 10½ months. If the House figure for ECA of \$3,568,470,000 for 10½ months is projected for a 12-month period, the figure for comparison with the Senate amount is \$4,078,251,420. This amount, when compared with the Senate committee figure of \$3,628,350,000, reveals a reduction of \$449,871,420 under the House figure for ECA for fiscal year 1950. To this reduction must be added reductions of \$25,000,000 in the funds for government and relief in the occupied areas and \$5,000,000 in the funds for Greece and Turkey—a total reduction of \$479,871,420 under the House bill.

INTRODUCTION

This bill was reported to the Senate the first time on July 12, 1949. A point of order was made against the bill because it contained certain legislative provisions recommended by the committee. The point of order was sustained, and the bill was recommitted to the Senate Appropriations Committee on July 27, 1949.

Certain amendments proposed by the committee had been agreed to by the Senate prior to recommitment of the bill, and the committee in reporting the bill to the Senate at this time is including these amendments in the bill in the exact form as previously agreed to by the Senate.

Certain of the language amendments previously recommended by the committee have been redrafted and are included in the bill as reported to the Senate at this time. The other language amendments previously proposed by the committee are legislative in character and have not been included in the bill as reported to the Senate at this time, but they will be offered separately on the Senate floor under motions to suspend the rules.

The language amendments which were in the bill when it was reported on July 12, and which have been redrafted and included in this bill are:

(1) The amendments with respect to the purchase of surplus agricultural products by the Economic Cooperation Administration and the Department of the Army;

(2) The amendment with respect to assistance to Spain; and

(3) The amendment which would prevent the use by a participating country of local counterpart funds in cases where the country has failed to comply with treaties with the United States.

Language amendments which were included in the bill reported July 12, and which have been deleted from the current bill and are to be offered on the Senate floor under a motion to suspend the rules are—

(1) The language authorizing the Administrator of ECA to borrow \$150,000,000 from the Treasury for use as loans under the program;

(2) The amendment directing the use of counterpart funds for the purpose of publicity by press, radio, or any other means of the use of ECA funds;

(3) The amendment with respect to dismantling of German war plants.

(4) The amendment directing that when members of the armed forces are employed primarily for the purpose of the GARIOA appropriation, the travel allowances are to be paid from GARIOA appropriations;

(5) The amendment authorizing employees of civilian agencies of the Government in Germany to use Army facilities for the purchase of subsistence supplies without the necessity for paying a 10 percent additional charge; and

(6) The amendment with respect to the production of nitrogenous fertilizer materials in Army plants.

The committee also considered an amendment authorizing the use of \$4,000,000 out of any unobligated balance made available under the China Aid Act, as amended, for necessary expenses of tuition, subsistence, and return passage to China of Chinese students. This amendment will be considered on the floor of the Senate.

The text of the amendments to be offered on the Senate floor are as follows:

AUTHORITY TO BORROW FROM TREASURY FOR USE AS LOANS UNDER PROGRAM

: Provided further, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating

funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said Act; and the provisions of paragraph (2) of section 111 (c) of said Act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein.

USE OF COUNTERPART FUNDS TO PUBLICIZE AMERICAN ASSISTANCE

The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer: *Provided*, That quarterly reports for the fiscal year 1950 shall be made to the Congress by the Administrator of the program undertaken pursuant to this section.

DISMANTLING GERMAN WAR PLANTS

: *Provided further*, That the list of limited and prohibitive industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of the Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany

TRAVEL EXPENSES TO BE PAID FROM GARIOA APPROPRIATION

: *Provided*, That when members of the armed forces are employed primarily for the purpose of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid therefrom

USE BY EMPLOYEES OF CIVILIAN AGENCIES OF ARMY FACILITIES FOR PURCHASE OF SUBSISTENCE SUPPLIES

: *Provided further*, That when the Department of the Army, under the authority of the Act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany

FERTILIZER AMENDMENT

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "Government and relief in occupied areas" an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949.

CHINESE STUDENTS

The President is authorized and directed to allocate to the Secretary of State the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the Act entitled "An Act to amend the Economic Cooperation Act of 1948", approved April 19, 1949 (Public Law 47, Eighty-first Congress), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended.

In reporting the bill to the Senate again, the committee has deleted all legislation included in the bill by the House.

The House places a great deal of legislation in each appropriation bill, and the legislative provisions included by the House are in many instances necessary to the efficient operation of a governmental agency in the administration of funds appropriated by the Congress as well as to the proper safeguarding and protection of those funds in the interest of the taxpayer. In many instances, it is necessary that the Senate Appropriations Committee be permitted to amend legislation included in appropriations bills by the House either to strengthen the legislation, to make it more inclusive, to make it workable, or in the interest of Government economy. Furthermore, once the House has placed a legislative provision in an appropriation bill it has been the situation for many years that the Senate Appropriations Committee had authority to amend the House legislative provision so long as the proposed amendment was germane to the House language. If the Senate Appropriations Committee is placed in position of not having the authority to amend legislation placed in an appropriation bill by the House, and if the situation is that such legislation can only be amended by first suspending paragraph 4 of rule XVI of the Standing Rules of the Senate, which requires a two-thirds vote of the Senate, then it is obvious that the Senate Appropriations Committee as well as the Senate is placed in a highly untenable position and are made impotent to deal with House legislation in an appropriation bill in any effective manner.

To direct attention to the situation confronting the Senate in this regard, the committee in reporting this bill to the Senate again has deleted therefrom all legislation included in the bill by the House. When the amount and extent of legislation placed in this bill by the House is considered, it is obvious that the Senate and its Appropriations Committee would in most instances be helpless to deal with the House on an equal basis if such legislation can be changed or added to only upon a two-thirds vote of the Senate.

The committee was well aware when it took such action that legislative provisions of considerable consequence to the departments and agencies, which in many instances had been included in the budget estimates, have been stricken, but the committee could not escape the logical conclusion that if any legislative provision should not be inserted in an appropriation bill then all legislative provisions must be removed regardless of their intrinsic worth or regardless of whether they had been inserted by the House of Representatives or offered in the Senate of the United States.

The committee has had the momentarily important question of the exact amount of foreign economic assistance that should be granted for the fiscal year 1950, and for a final portion of the fiscal year 1949, before it for a period of more than 1½ months. During this time the committee has conscientiously endeavored to ascertain the true requirements of foreign nations who are recipients of our financial assistance. To this end the most extensive set of hearings possible were held and a great amount of testimony was presented by the agencies involved in behalf of funds for European economic assistance and for government and relief in occupied areas. Since the committee had before it for consideration more than \$6,000,000,000 in appropriations requests, or one-seventh of the entire spending program of the Presi-

dent for the fiscal year 1950, it was felt that more than ordinary attention should be directed toward these appropriations requests. Recent events tend to indicate that a declining national income, a deficit in our 1949 Federal budget, and an expected larger deficit in the fiscal year 1950, a series of recent price declines, and the obvious recovery of many nations participating in the European recovery program, make possible, and desirable, a lesser amount of appropriations for foreign purposes.

It is for this reason, therefore, that the committee feels constrained to recommend to the Senate reductions in the appropriations for the purposes of this bill aggregating \$674,820,000 under the budget estimates and \$449,871,420 under the amounts allowed by the House.

It is not believed that the reductions made will in anywise either impede the continued progress of these programs or hamper their administration in any appreciable way. Careful allocation of these funds by their administrators with due regard for proper American interests should result in the accomplishment of the goals of these programs and, at the same time, should relieve the American taxpayer of an additional unnecessary drain on his resources in order to assist foreign nations.

LEGISLATIVE BRANCH

SENATE

JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION

In its first report to the Senate, the committee recommended an appropriation of \$344,000 for the Joint Committee on Foreign Economic Cooperation, together with certain language. The entire amendment was ruled out of order on the Senate floor on the ground that it was legislation on an appropriation bill. Subsequent to the ruling in the Senate, the Senate adopted an amendment providing language which contained no legislation and an appropriation of \$344,000. The committee amendment recommended in the bill as reported at this time is identical with the amendment previously agreed to by the Senate. The amendment recommended by the committee reads as follows:

LEGISLATIVE BRANCH

SENATE

CONTINGENT EXPENSES OF THE SENATE

Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, \$344,000: Provided, That this appropriation shall be available for the fiscal year 1950, for the purpose provided herein.

The committee heard the chairman of the joint committee and members of his staff. It is the consensus of the committee that the work of the joint committee has been of inestimable value in reviewing and analyzing the functioning of the Economic Cooperation Administration. Therefore, the committee has provided the funds necessary to implement the law and feels that, in view of the vast operation involving a most difficult and complex program, the full time of a committee staff is required in studying and reporting on the progress, the administration, and execution of the programs of United States foreign assistance.

THE EUROPEAN RECOVERY PROGRAM

The mere appropriation of funds, no matter how large in amount, will not assist Europe to full recovery unless the nations of Europe, themselves, are willing to cooperate economically to the greatest extent possible, first, in the elimination of all unnecessary trade barriers and, second, in the free interchange of their currencies on the basis of true value. Steps which are taken in the contrary direction will only serve to increase American liability for future appropriations in greater amount and will put recovery further out of possible reach. European nations which are recipients of our bounty should take greater pains to solve the twin problems of trade barriers and currency exchange.

It is further obvious that the nations of Europe must increase by their own efforts the production of goods for their own use and for export. While production has been on the increase, labor productivity could be increased to assure the success of the program within the time limits established.

The committee is well aware that the amounts recommended for appropriations to the participating countries under the European recovery program are considerably below the amounts recently authorized by the Congress for the last quarter of fiscal 1949 and for the fiscal year 1950. At the time these authorizations were before the Congress the proponents of the program repeatedly stated in answer to attempts to reduce the authorization amounts that the Appropriations Committees of the House of Representatives and the Senate would have a later opportunity to examine the precise needs of this program and to determine these needs in the light of detailed budget justifications. As it has always done, the Senate Committee on Appropriations has exercised this amply recognized function and, therefore, recommends to the Congress a lesser amount of appropriations than the authorizations granted under the substantive act. It does so as the result of a detailed analysis of the budget justifications and the testimony given by the officials representing the program.

The Administrator of the Economic Cooperation Administration testified that he would endeavor, if possible, to utilize the appropriations granted by the House of Representatives on the basis of 10½ months so that they would suffice for the fiscal year 1950. Inasmuch as the committee preferred to make appropriations for the entire fiscal year and inasmuch as the committee has allowed a greater sum for this purpose than was allowed by the House of Representatives, it is our judgment that the Administrator's desire to live within the appropriation grants will be enhanced by the committee action.

The total of \$3,628,380,000 recommended for the full fiscal year 1950 is based on the committee's recognition of our own national fiscal situation, the general price declines which are still occurring, and the judgment that this sum represents the limit of American capacity to render foreign economic assistance in the current fiscal year.

The committee allowed the full request of \$16,500,000 for administrative expenses, and took special cognizance of the increase requested for the Controller's offices abroad. It is felt that these offices are a most sensitive and vital aspect of the proper administration of the Economic Cooperation Administration and the committee expects the offices of the Controller to be implemented as indicated in the budget

justification. For fiscal 1950, the budget proposal indicates additions of 47 American personnel to these offices. It is the view of the committee that such increase is entirely justified and should be accomplished as expeditiously as feasible.

In addition, the committee adopted a provision which would prevent the use by a participating country of local counterpart funds when that country (a) failed to comply with any treaty with the United States, or (b) causes or permits any area dependent upon it to fail to comply with any such treaty. In adopting this restriction on the use of counterpart funds the committee had in mind specifically the situation in French Morocco where American business interests are being discriminated against in violation of an existing treaty between the United States and the Moroccan Government.

For the period April 3 to June 30, 1949, the committee in reporting the bill to the Senate on July 12, 1949, recommended an appropriation of \$1,000,000,000, which amount was \$74,000,000 under the amount of the budget estimate and the amount approved by the House. On the Senate floor, the \$74,000,000 was restored to the bill. The committee at this time, therefore, is recommending an appropriation of \$1,074,000,000 in accordance with the previous action of the Senate.

For the fiscal year 1950, the committee recommended, in reporting the bill to the Senate on July 12, 1949, \$3,628,380,000 in appropriation and \$150,000,000 in the form of a public debt transaction, which amount could be used for loans to the participating countries, making a total of \$3,778,380,000. The Senate agreed to the appropriation of \$3,628,380,000, and in reporting the bill again to the Senate the committee is recommending the same amount in appropriation.

With respect to the sum of \$150,000,000 in the form of a public debt transaction, the language which was in the first reported bill was legislation on an appropriation bill and, consequently, has been omitted from the bill now being presented. However, a motion to suspend the rules, in order to offer the amendment contained in the first reported bill, has been filed, and the amendment will be taken up on the Senate floor.

SPAIN

The committee has approved and is including in the bill language with respect to assistance to Spain to the effect that \$50,000,000 shall not be available for any other purpose than assistance to Spain.

In approving this provision, the committee does so with the understanding that the assistance is to be extended upon credit terms as provided in section III (c) (2) of the Economic Cooperation Act of 1948, as amended.

AGRICULTURAL PRODUCTS

The committee has approved and is including in the bill language to the effect that 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing.

This same language has also been included by the committee under the appropriation for government and relief in occupied areas.

ASSISTANCE TO GREECE AND TURKEY

The committee reduced the amount requested for assistance to Greece and Turkey from \$50,000,000 to \$45,000,000. This appropriation represents the final phase of an authorized program of \$675,000,000 requested by the President pending action on a general request for military assistance now before the Congress. A majority of the members of the committee were of the view that the sum allowed will not impair our obligations under the original Greek-Turkey authorization act and that the sum would be sufficient in view of general price declines.

NATIONAL MILITARY ESTABLISHMENT

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

With respect to government and relief in occupied areas the committee was of the opinion that former enemy nations would not suffer unduly by a restriction of funds to \$900,000,000, which is \$25,000,000 less than allowed by the House of Representatives. A wise and prudent administration of these funds, whether by the Department of the Army or the State Department, which is expected to succeed the Army in the discharge of this function, should make it possible for the responsible administrators to govern and to assist these occupied areas without difficulty.

Moreover, the committee was convinced that the Department of the Army was requesting a larger sum for administrative purposes than could be reasonably justified for the handling of the problems inherent in providing government and relief in occupied areas. In consequence, the committee ordered a reduction from \$45,000,000 to \$40,000,000 for the expenses of operating this program.

CLEARANCE OF FOREIGN PERSONS ENTERING THE UNITED STATES

The committee particularly wishes to express its concern over the interchange-of-persons program involving the bringing of national leaders, industrial and labor leaders, and students from participating countries and from occupied areas to this country. Both GARIOA and ECA are enjoined to exercise the greatest possible care to insure that foreign nationals whose friendship and regard for this country are questionable should not be permitted to visit this country, at our expense, in any guise. It is likewise felt that any amplification of these programs for the interchange of persons should be held to the minimum consistent with the positive value to be obtained from such expansion and the availability of funds which may be safely diverted from the major purposes of both GARIOA and ECA.

By way of reiteration, the committee fully expects the maximum possible screening and clearance of all foreign nationals allowed to enter this country under the guise of national leadership, education, or other reorientation schemes.

DELETION OF HOUSE LEGISLATIVE PROVISIONS

In reporting the bill to the Senate again, the committee has deleted all legislation included in the bill by the House. The legislation deleted by the committee is as follows:

ECONOMIC COOPERATION ADMINISTRATION

* * * including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; * * * of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified

* * * including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; * * * not to exceed \$500,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified

* * * : *Provided further*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said Act during the period ending May 15, 1950

DEPARTMENT OF THE ARMY

* * * personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; * * * services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned);

* * * : *Provided*, That the general provisions of the appropriation Act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act

of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service or employment bringing such individual within the provisions of sections 281 or 283 of title 18, United States Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (c) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned

* * * * *

GENERAL PROVISIONS

* * * : *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be

fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law

* * * * *
SEC. 202. This Act may be cited as the "Foreign Aid Appropriation Act, 1950".

INCREASES AND LIMITATIONS

The changes in the amounts of the House bill recommended by the committee are as follows:

Legislative Branch

SENATE

Contingent expenses of the Senate:

Joint Committee on Foreign Economic Cooperation -----	\$344, 000
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The committee has approved an amendment to the bill providing for an appropriation of \$344,000 for the Joint Committee on Economic Cooperation. The budget estimate for the joint committee is \$344,000; however, no funds were provided for the committee by the House in the legislative branch appropriation bill for 1950.

Economic Cooperation Administration

ECA program for fiscal year 1950-----	\$59, 910, 000
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The budget estimate for the program for fiscal year 1950 is \$4,198,200,000. The House approved an appropriation of \$3,568,470,000, with the provision that the funds could be expended in a 10½-month period. The committee has deleted the provision with respect to the 10½-month period, thereby placing the appropriation on a full fiscal-year basis. The committee has provided an appropriation for the full fiscal year of \$3,628,380,000, which is an increase in the appropriation in the bill of \$59,910,000. However, as is explained on page 1 of this report, the amount allowed by the Senate committee is in reality a reduction under the House figure of \$449,871,420 by reason of the appropriation being made for a 12-month period. The House figure for a 12-month period which would be comparable with the Senate committee figure is \$4,078,251,420. The difference between this figure and the Senate committee figure is \$449,871,420.

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) ninety per centum of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing, and (2)

The foregoing amendment refers to the Economic Cooperation Administration budget justification submitted to the Senate, which justification includes the tables and other material submitted by the ECA and which breaks down in detail the expected purchases of agricultural products.

INCREASES AND LIMITATIONS—Continued

Economic Cooperation Administration—Continued

Spain, assistance to:

The committee has approved the following language be inserted in the bill which provides that \$50,000,000 of the funds available to the ECA shall not be available for any other purpose than assistance to Spain:

and (3) \$50,000,000 shall not be available for any other purpose than assistance to Spain

Limitations on aid to countries failing to comply with any treaty with United States:

The committee has approved the following amendment which has been inserted in the bill:

: Provided further, That no part of the funds herein appropriated with respect to which local currencies are deposited as provided in section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, shall, after deposit in local currency accounts as a result of assistance furnished, be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (2) causes or permits any area dependent upon it (as designated in the Bilateral Agreements) to fail to comply with any such treaty

National Military Establishment

Agricultural products, surplus:

The committee has approved the following language to be inserted in the bill:

(1) ninety per centum of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall not be available for any other financing, and (2)

The foregoing amendment refers to the Department of the Army budget justification submitted to the Senate, which justification includes the tables and other material submitted by the Department of the Army and which breaks down in detail the expected purchases of agricultural products.

Total increase-----

\$60,254,000

DECREASES AND LIMITATIONS

Assistance to Greece and Turkey

Assistance to Greece and Turkey, fiscal year 1950----- \$5, 000, 000

The budget estimate for the Greece and Turkey program for fiscal year 1950 is \$50,000,000 which is the amount approved by the House. The committee has approved an appropriation for this purpose of \$45,000,000 which is \$5,000,000 below the amount allowed in the House bill.

National Military Establishment

Government and relief in occupied areas----- 25, 000, 000

The budget estimate for the GARIOA program for fiscal year 1950 is \$1,000,000,000. The House approved an appropriation of \$925,000,000 and the committee has reduced this figure by \$25,000,000 to provide an appropriation of \$900,000,000. The committee has also effected a reduction in the amount available for administrative expenses from \$45,000,000 approved by the House to \$40,000,000.

Total decrease-----	30, 000, 000
Total increase-----	60, 254, 000
Net increase-----	30, 254, 000
Amount of bill as reported to Senate-----	5, 647, 724, 000

COMPARISON OF AMOUNTS IN BILL WITH APPROPRIATIONS FOR 1949 AND ESTIMATES FOR 1950

	Appropriated and recommended, 1949	Amount of budget estimate, 1950	Amount recommended in House bill, 1950	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
Joint Committee on Foreign Economic Cooperation-----	\$282,000	\$344,000		\$344,000	+\$62,000		+\$344,000
Economic Cooperation Administration (Apr. 3, 1948-Apr. 2, 1949)-----	4,000,000,000				-4,000,000,000		
Public debt transaction under sec. 111 (c) (2), Public Law 472 (80th Cong.) (Apr. 3, 1948-Apr. 2, 1949)-----	¹ 1,000,000,000				-1,000,000,000		
Supplemental (Apr. 3-June 30, 1949)-----	² 1,074,000,000				-1,074,000,000		
Regular annual (fiscal year 1950)-----				³ 3,628,380,000	+3,628,380,000	-\$569,820,000	³ +59,910,000
Assistance to Greece and Turkey-----	225,000,000	50,000,000	50,000,000	45,000,000	-180,000,000	-5,000,000	-5,000,000
Government and relief in occupied areas-----	1,300,000,000	1,000,000,000	925,000,000	900,000,000	-400,000,000	-100,000,000	-25,000,000
Total (for comparative purposes)-----	6,599,282,000	5,248,544,000	4,543,470,000	4,573,724,000	-2,025,558,000	-674,820,000	+30,254,000
Economic Cooperation Administration, fiscal year 1949-----		1,074,000,000	1,074,000,000	1,074,000,000	+1,074,000,000		
Total in accompanying bill-----	6,599,282,000	6,322,544,000	5,617,470,000	5,647,724,000	-951,558,000	-674,820,000	³ +30,254,000

¹ Not appropriated funds.² Carried in accompanying bill.

³ Although the foregoing tabulation indicates the Senate committee has recommended appropriations in this bill, \$30,254,000 in excess of the House bill, in reality the committee is recommending appropriations which are \$479,871,420 below the House bill and \$674,820,000 below the budget estimates.

The Senate committee bill places the appropriation for ECA for fiscal year 1950 on a 12-month fiscal-year basis, whereas the House had authorized the use of the funds in 10½ months. If the House figure for ECA of \$3,568,470,000 for 10½ months is projected for a 12-month period, the figure for comparison with the Senate amount is \$4,078,251,420. This amount when compared with the Senate committee figure of \$3,628,380,000 reveals a reduction of \$449,871,420 under the House figure for ECA for fiscal year 1950. To this reduction must be added reductions of \$25,000,000 in the funds for government and relief in the occupied areas, and \$5,000,000 in the funds for Greece and Turkey—a total reduction of \$479,871,420 under the House bill.

81ST CONGRESS
1ST SESSION

Calendar No. 819

H. R. 4830

[Report No. 812]

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on Appropriations

JULY 12 (legislative day, JUNE 2), 1949

Reported by Mr. McKELLAR, with amendments

JULY 27 (legislative day, JUNE 2), 1949

Recommitted to the Committee on Appropriations

JULY 30, 1949

Reported by Mr. McKELLAR, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

LEGISLATIVE BRANCH

SENATE

CONTINGENT EXPENSES OF THE SENATE

Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, \$344,000: Provided, That this appropriation shall be available for the fiscal year 1950, for the purpose provided herein.

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 2651 of the Revised Statutes; and loss by exchange; \$1,074,-

1 000,000, of which not to exceed \$125,000 shall be avail-
2 able for expenditures of a confidential character (other than
3 entertainment) under the direction of the Administrator or
4 the Deputy Administrator who shall make a certificate of
5 the amount of each such expenditure which he may think
6 it advisable not to specify, and every such certificate shall
7 be deemed a sufficient voucher for the amount therein speci-
8 fied: *Provided*, That not to exceed \$4,400,000 in the
9 aggregate shall be available from this appropriation and
10 the appropriation under this head in the Foreign Aid Ap-
11 propriation Act, 1949, for administrative expenses during the
12 period April 3, 1949, through June 30, 1949.

13 For expenses necessary to enable the President to carry
14 out the provisions of the Economic Cooperation Act of 1948,
15 as amended by the Act of April 19, 1949 (Public Law 47),
16 for the fiscal year ending June 30, 1950, including expenses
17 of attendance at meetings concerned with the purposes of
18 this appropriation (not to exceed \$30,000); purchase (not
19 to exceed two) and hire of passenger motor vehicles; main-
20 tenance and operation and hire of aircraft; payment of
21 damage claims pursuant to law (28 U. S. C. 2672); health
22 service program as authorized by law (5 U. S. C. 150);
23 rents in the District of Columbia; transportation of privately
24 owned automobiles; entertainment (not to exceed \$25,000);
25 exchange of funds without regard to section 3651 of the

1 Revised Statutes; and loss by exchange; \$3,568,470,000
2 \$3,628,380,000, of which (1) 90 per centum of the amount
3 required to finance the procurement of surplus agricultural
4 products (determined surplus by the Secretary of Agriculture)
5 of the kinds and in the quantities set out in the Economic
6 Cooperation Administration budget justification submitted to the
7 Senate shall not be available for any other
8 financing, not to exceed \$500,000 shall be available for
9 expenditures of a confidential character (other than entertainment)
10 under the direction of the Administrator or the
11 Deputy Administrator, who shall make a certificate of the
12 amount of each such expenditure which he may think it
13 advisable not to specify, and every such certificate shall
14 be deemed a sufficient voucher for the amount therein
15 specified and (2) \$50,000,000 shall not be available for
16 any other purpose than assistance to Spain: *Provided*, That
17 this appropriation shall be consolidated and merged with
18 appropriations under this head for prior periods, and
19 such consolidated appropriation may be used during the
20 fiscal year 1950 within limitations herein specified:
21 *Provided further*, That not to exceed \$16,500,000 of such
22 consolidated appropriation shall be available for administrative
23 expenses during the fiscal year 1950: *Provided further*,
24 That the entire amount may be apportioned for obligation
25 or may be obligated and expended, if the President

1 after recommendation by the Administrator deems such action
2 necessary to carry out the purposes of said Act during the
3 period ending May 15, 1950: *Provided further, That no part*
4 *of the funds herein appropriated with respect to which local*
5 *currencies are deposited as provided in section 115 (b) (6)*
6 *of the Economic Cooperation Act of 1948, as amended, shall,*
7 *after deposit in local currency accounts as a result of assist-*
8 *ance furnished, be made available for expenditure by any*
9 *recipient country so long as such country (1) fails to comply*
10 *with any treaty with the United States, or (2) causes or*
11 *permits any area dependent upon it (as designated in the*
12 *Bilateral Agreements) to fail to comply with any such treaty.*

13 ASSISTANCE TO GREECE AND TURKEY

14 For an additional amount for "Assistance to Greece
15 and Turkey", as authorized by the Act of May 22, 1947
16 (61 Stat. 103), as amended and supplemented, to be avail-
17 able immediatley, ~~\$50,000,000~~ \$45,000,000, which, together
18 with the amounts heretofore appropriated under this head,
19 shall remain available until June 30, 1950; and the existing
20 limitation under this head in the Foreign Aid Appropriation
21 Act, 1949, on the amount available for administrative ex-
22 penses, shall continue in effect; and the existing limitation
23 under said head on the amount available for such expenses
24 in the District of Columbia is increased from "\$400,000"
25 to "\$425,000": *Provided, That said limitations shall apply*

1 only to the administrative expenses of the Department of
2 State.

3 NATIONAL MILITARY ESTABLISHMENT

4 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

5 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

6 For expenses, not otherwise provided for, necessary to
7 meet the responsibilities and obligations of the United States
8 in connection with the government or occupation of certain
9 foreign areas, including personal services in the District of
10 Columbia and elsewhere and, subject to such authorizations
11 and limitations as may be prescribed by the head of the
12 department or agency concerned, tuition, personal allow-
13 ances (not to exceed \$10 per day), travel expenses (not
14 to exceed those authorized for like United States military
15 or civilian personnel), and fees incident to instruction in
16 the United States or elsewhere of such persons as may be
17 required to carry out the provisions of this appropriation;
18 travel expenses and transportation; services as authorized
19 by section 45 of the Act of August 2, 1946 (5 U. S. C.
20 55a), at rates not in excess of \$50 per diem for individuals;
21 health service program as authorized by law (5 U. S. C.
22 450); payment of claims pursuant to law (28 U. S. C.
23 2672); translation rights, photographic work, educational
24 exhibits, and dissemination of information, including preview
25 and review expenses incident thereto; expenses incident to

1 the operation of schools for American children; printing
 2 and binding; purchase and hire of passenger motor vehicles
 3 and aircraft; repair and maintenance of buildings; utilities;
 4 facilities; and appurtenances; contingencies for the United
 5 States commanders, commissioners, or other administrators
 6 of foreign areas, to be expended in their respective discre-
 7 tions (not exceeding amounts authorized or approved by
 8 the head of the department or agency concerned); such
 9 minimum supplies for the civilian populations of such areas
 10 as may be essential to prevent starvation, disease, or unrest,
 11 prejudicial to the objectives sought to be accomplished;
 12 and such supplies, commodities, and equipment as may be
 13 essential to carry out the purposes of this appropriation;
 14 ~~\$925,000,000~~ \$900,000,000, of which (1) 90 per centum
 15 of the amount required to finance the procurement of surplus
 16 agricultural products (determined surplus by the Secretary
 17 of Agriculture) of the kinds and in the quantities set out in
 18 the Department of the Army budget justification submitted
 19 to the Senate shall not be available for any other financing,
 20 and (2) not to exceed ~~\$45,000,000~~ \$40,000,000 shall be
 21 available for administrative expenses: *Provided*, That the
 22 general provisions of the appropriation Act for the fiscal
 23 year 1950 for the military functions of the Department of
 24 the Army shall apply to expenditures made by that Depart-
 25 ment from this appropriation: *Provided further*, That ex-

penditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and

1 economic stability of such areas: *Provided further*, That
2 before any such assistance is made available, an agreement
3 shall be entered into between the United States and the
4 recognized government or authority with respect to such
5 area containing such undertakings by such government or
6 authority as the President may determine to be necessary
7 in order to assure the efficient use of such assistance in
8 furtherance of such purposes: *Provided further*, That such
9 agreement shall, when applicable, include requirements and
10 undertakings corresponding to the requirements and under-
11 takings specified in sections 5, 6, and 7 of the Foreign Aid
12 Act of 1947 (Public Law 389, approved December 17,
13 1947): *Provided further*, That service of an individual
14 rendered under this appropriation as an expert, consultant,
15 adviser, or technician shall not be considered as service or
16 employment bringing such individual within the provisions
17 of sections 281 or 283 of title 18, United States Code, of
18 section 190, Revised Statutes (5 U. S. C. 99), or of
19 section 19 (c) of the Contract Settlement Act of 1944, or
20 of any other Federal law imposing restrictions, requirements,
21 or penalties in relation to the employment of persons, the
22 performance of services, or the payment or receipt of com-
23 pensation in connection with any claim, proceeding, or
24 matter involving the United States: *Provided further*, That
25 funds appropriated hereunder may be used, insofar as prae-

1 ticable, and under such rules and regulations as may be
2 prescribed by the head of the department or agency con-
3 cerned, to pay ocean transportation charges from United
4 States ports, including territorial ports, to ports in Japan
5 and the Ryukyus for the movement of supplies donated to,
6 or purchased by, United States voluntary nonprofit relief
7 agencies registered with and recommended by the Advisory
8 Committee on Voluntary Foreign Aid or of relief packages
9 consigned to individuals residing in such countries: *Pro-*
10 *vided further,* That under the rules and regulations to be
11 prescribed, the head of the department or agency concerned
12 shall fix and pay a uniform rate per pound for the ocean
13 transportation of all relief packages of food or other general
14 classification of commodities shipped to Japan or the
15 Ryukyus regardless of methods of shipment and higher rates
16 charged by particular agencies of transportation, but this
17 proviso shall not apply to shipments made by individuals
18 to individuals: *Provided further,* That the President may
19 transfer to any other department or agency any function or
20 functions provided for under this appropriation, and there-
21 shall be transferred to any such department or agency such
22 unobligated balances of this appropriation and, without reim-
23 bursement and without regard to the appropriation from
24 which procured, such property as the Director of the Bureau
25 of the Budget shall determine to relate primarily to any

1 function or functions so transferred; and any funds so trans-
2 ferred may be expended either under the authority contained
3 herein or under the authority governing the activities of
4 the department or agency concerned.

5 TITLE II—GENERAL PROVISIONS

6 SEC. 201. No part of any appropriation contained in
7 this Act shall be used to pay the salary or wages of any
8 person who engages in a strike against the Government of
9 the United States or who is a member of an organization
10 of Government employees that asserts the right to strike
11 against the Government of the United States, or who advo-
12 cates, or is a member of an organization that advocates, the
13 overthrow of the Government of the United States by force
14 or violence: *Provided*, That for the purposes hereof an
15 affidavit shall be considered prima facie evidence that the
16 person making the affidavit has not contrary to the pro-
17 visions of this section engaged in a strike against the Govern-
18 ment of the United States, is not a member of an organiza-
19 tion of Government employees that asserts the right to strike
20 against the Government of the United States, or that such
21 person does not advocate, and is not a member of an or-
22 ganization that advocates, the overthrow of the Government
23 of the United States by force or violence: *Provided further*,
24 That any person who engages in a strike against the Govern-
25 ment of the United States or who is a member of an

1 organization of Government employees that asserts the right
2 to strike against the Government of the United States, or
3 who advocates, or who is a member of an organization
4 that advocates, the overthrow of the Government of the
5 United States by force or violence and accepts employment
6 the salary or wages for which are paid from any appropria-
7 tion contained in this Act shall be guilty of a felony and,
8 upon conviction, shall be fined not more than \$1,000 or
9 imprisoned for not more than one year, or both: *Provided*
10 *further*, That the above penalty clause shall be in addition
11 to, and not in substitution for, any other provisions of existing
12 law.

13 SEC. 202. This Act may be cited as the "Foreign Aid
14 Appropriation Act, 1950".

Passed the House of Representatives May 26, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST SESSION

H. R. 4830

[Report No. 812]

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

MAY 27 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on

Appropriations

JULY 12 (legislative day, JUNE 2), 1949

Reported with amendments

JULY 27 (legislative day, JUNE 2), 1949

Recommitted to the Committee on Appropriations

JULY 30, 1949

Reported with amendments

A-6262000, Lind, Egil Frode or Frode Lind or E. Frod Lind or E. Frode Lind.
 A-6727225, Lind, Signe Marie or Signe Marie Soerrlle or Sortie.
 A-5722312, Lopez, Alejo or Alejo Lopez Lopez or Jose Guvarra.
 A-5100890, Lorenz, Agnes (nee De Freitas).
 A-1443403, Luciano, Carlo.
 A-6844307, Magallanes-Perez, Julio.
 A-5247053, Mancuso, Francesco.
 A-5688547, Manning, Raymond Fred or Raymond Frederick Leaford Manning or Raymond or Ray Frederick Manning.
 A-5128723, Marrale, Antonino or Antonio Marrale.
 A-6208487, Masongsong, Buenaventura Garcia.
 A-6208562, Masongsong, Luisa Lopez or Maria Luisa Lopez Masongsong, or Maris Luisa Moreno.
 A-9695404, Mercier, Louis Lucien.
 A-5156871, Mielke, Willy Paul or William Paul Mielke.
 A-6783385, Mitchell, Pamela Lillian.
 A-6783386, Mitchell, Peter John.
 A-4335098, Molaro, Luigi.
 A-5069586, Moldenhauer, Christian Henry (alias Christ Moldenhauer).
 A-4341326, Monarez-Granados, Alfredo or Alfred Monje.
 A-6701884, McCornack, Vera Noelle.
 A-5678670, Nicholoff, Petra (nee Stoyan-off).
 A-9695884, Oisen, Erling Stoltenberg.
 A-6171443, Palmer, Chrysantho or Chrysantho Coulouvari (nee Menti).
 A-6827646, Papamanolakis, Aristides or Aristides Demitrios Papamanolakis.
 A-6245751, Paul, Evdokia or Evdokia Sitapoulos, Evdokia Sotopoulou.
 A-5894675, Prado-Ruiz, Ramon or Ramon Prado or Raymond Prado.
 A-5665013, Racanelli, Michelangelo (Michael Angelo) or Michael Angelo Ragnelle.
 A-6844310, Rivera-Marquez, Andres or Andres Marquez-Rivera.
 A-7735232, Rivera-Ortiz, Jose Jesus Pedro or Pedro Rivera-Ortiz.
 A-6752701, Robiole, Jean (John) Georges.
 A-5149179, Rosellini, Guido (alias James Roll).
 A-6245749, Saragiotis, Despina (nee Despina Ioannis Demarelis).
 A-6248901, Savrides, Sophia (nee Sophia Kritharides).
 A-1802003, Schraps, Paul Kurt.
 A-6432281, Shang, Ting Lin.
 A-3652526, Shang, Lily Wen Shun Tang (nee Wen Shun Tang or T'ang or Talitha).
 A-5226632, Shee, Tom or Tom Tiu Gook.
 A-5974147, Shimizu, Teisuki Taro or Taro Smeesu or Frank Shimizer or William Smeesu or William Sato or William T. Smeesu.
 A-6287437, Slater, Gerald Frederick.
 A-6138457, Snook, Eugene Mayton.
 A-5728144, Sobek, Tomas Juraj or Thomas George Sobek.
 A-4687618, Soong, Ts An or Tsau A. Soong.
 A-7580708, Soong, Ji Ing or Ji Ing Woo Soong (nee Woojih Iung).
 A-6393393, Soto, Apolonio.
 A-3316850, Soto, Dolores.
 A-6295306, Soto-Arvizu, Jorge or Juan Carlon-Gonzalez.
 A-6861483, Soto-Patino, Felisiano or Feliciano Patino-Soto.
 A-5897131, Sucic, Ferdinand.
 A-3309754, Sutcliffe, Daisy Elizabeth (nee Sewell).
 A-4860775, Ting, Johannes, or John Ting.
 A-3659501, Torrisi, Pietra Giovanna.
 A-3356915, Tsao, Makepeace Uho.
 A-6887120, Tsembell, Nicholas John.
 A-6605104, Ungar, Theodore.
 A-6108968, Urrutia, Elmer, or Eimer Urrutia V Herrera or Elmer Urrutia Herrera.
 A-5279822, Valdes, Maria Luisa (nee Gutierrez or Luisa M. Valdes or Valdis nee Maria Luisa Gutierrez or Maria Luisa Valdes or Gutierrez or Gutierrez or Luisa Maria Valdes

or Maria L. Valdes or Maria L. Vda De Valdes or Maria Luisa Gutierrez Vda De Valdes or Ma Luisa Gutierrez Valdis, and others).
 A-6595198, Valiadaves, Roberto Ignacio.
 A-9042913, Vallianos, Georgios or George Vallianos.
 A-5194404, Vasquez, Adolfo Duarte or Adolfo Vasquez.
 A-3101808, Vasu, George Elay.
 A-6844271, Vega, Eusebio.
 A-6844272, Vega, Ramon.
 A-6403040, Velasquez-Rapia, Jesus.
 A-3868924, Vrahnas, George Andrew (alias Harry Panos).
 A-6357987, Vrakas, Galliroe Constantine or Kalliroe Vrakas or Mangas (nee Zahariadou).
 A-6064645, Watters, Luz Costales or Luz Abraham or Luz Costales.
 A-6063022, Weidmann, Emilia Santos or Emilia Santos.
 A-5554370, Yager, Henry or Hyman Yager and Henry William Yager.
 A-6274068, Yang, Ju Chin.
 A-5202493, Young, Kenneth Chung Kuen or Yeung Pak Chi or Kai Chong Yeung.
 A-6677869, Ziebell, Detlev Guenter.
 A-6453741, Ziemak, Marian Cybulski.

EXECUTIVE MESSAGES REFERRED

As in executive session,
 The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.
 (For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,
 The following favorable reports of nominations were submitted:
 By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:
 Knox T. Hutchinson, of Tennessee, to be Assistant Secretary of Agriculture.
 By Mr. MCCABRAN, from the Committee on the Judiciary:
 John S. Denise, Sr., of Washington, to be United States marshal for the western district of Washington, term expires July 2, 1949; and
 Jones Floyd, of Arkansas, to be United States marshal for the western district of Arkansas.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:
 S. 2353. A bill relating to the tribal and individual affairs of the Osage Indians in Oklahoma; and
 S. 2354. A bill to amend the act entitled "An act relating to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma, and for other purposes," approved August 4, 1947 (61 Stat. 731); to the Committee on Interior and Insular Affairs.

By Mr. TYDINGS:

S. 2355. A bill to provide for the establishment of an additional service academy, and for other purposes; to the Committee on Armed Services.

(Mr. JOHNSTON of South Carolina introduced Senate bill 2356, to amend paragraph 1, section 5, of the Civil Service Retirement Act of May 29, 1930, as amended, which was referred to the Committee on Post Office and Civil Service, and appears under a separate heading.)

By Mr. McCLELLAN:

S. 2357. A bill to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel; to the Committee on Expenditures in the Executive Departments.

By Mr. BUTLER (for himself and Mr. WHERRY):

S. 2358. A bill to change the name of Medicine Creek Reservoir in Frontier County of the State of Nebraska to Harry Strunk Lake; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 2359. A bill for the relief of Giacomo Verni, Vincenzo Piccoli, Dominico Novelli, Luigi Rizzi, and Bartolomeo Verni; to the Committee on the Judiciary.

By Mr. BREWSTER:

S. 2360. A bill to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNEY:

S. 2361. A bill to provide for the acquisition of McCornack General Hospital, Pasadena, Calif., by the Veterans' Administration, and for other purposes; to the Committee on Finance.

By Mr. KEFAUVER:

S. 2362. A bill to provide for flight experience for certain students in the senior high schools of the District of Columbia; to the Committee on the District of Columbia.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. JOHNSTON of South Carolina. Mr. President, I introduce for appropriate reference a bill to amend the Civil Service Retirement Act. In effect the bill stops a loophole in the Civil Service Retirement Act existing at the present time. I imagine Senators read in the newspapers a few days ago an item to the effect that certain persons might enter the employment of the legislative branch of the Government for a few months and then subsequently draw enormous amounts of money upon retirement.

The bill (S. 2365) to amend paragraph 1, section 5, of the Civil Service Retirement Act of May 29, 1930, as amended, was read twice by its title and referred to the Committee on Post Office and Civil Service.

BUDGET AND ACCOUNTING PROCEDURES—AMENDMENTS

Mr. MCCARTHY submitted amendments intended to be proposed by him to the bill (S. 2054) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify Government accounting and auditing methods and procedures, and for other purposes, which were referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT

Mr. JENNER submitted an amendment intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

AMENDMENT ON INTERNAL REVENUE CODE—AMENDMENTS RELATING TO REPEAL OF WAR EXCISE TAXES

Mr. GURNEY. Mr. President, I submit amendments intended to be proposed by me to the committee amendments to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue

Code, which I request be printed and lie on the table, and I ask unanimous consent that a statement of the amendments I have prepared and the amendments be printed in the body of the RECORD.

I request that the members of the Finance Committee particularly take a look at the amendments. I hope from their experience in considering revenue bills in the last few months will give them some understanding of the point I make in my statement respecting the amendments, which deal with excise taxes. I hope I may receive favorable consideration from that committee of the amendments.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the statement and amendments will be printed in the RECORD.

The statement presented by Mr. GURNEY is as follows:

STATEMENT BY SENATOR GURNEY

I am sure our Finance Committee has had under consideration the general subject matter of my amendments.

At this time I would like to make just a very brief statement as to the general objective of the amendments and to give the reasons which have prompted me to submit them.

In brief, the amendments would repeal all the wartime excise taxes which were approved in the revenue bill of 1943. In my opinion, the repeal of these taxes at this time is not only desirable, it is vital to the economic health of our country. I am sure that all Senators will recall the circumstances surrounding the origin of these taxes. Back in 1943, at the height of the war, it was necessary for Congress to establish a tax policy which would produce as much revenue as possible for the successful financing of the war, and it was also necessary to discourage consumer buying as a means of conserving needed materials and curbing inflation. Excise taxes fit beautifully into those requirements and to a large extent served the purpose for which they were intended.

At the time the revenue bill of 1943 was passed, however, the American people were told that these excise taxes were a temporary expedient made necessary by the demands of an all-out, two-front war. And the American people accepted this additional tax burden uncomplainingly. Now, however, we are almost 4 years past VJ- and VE-days, and the wartime exercises are still with us. I think it is high time that Congress redeem the pledge that was made to the American people in respect to the temporary nature of these taxes.

Furthermore, as we all know, business is in the doldrums, production is falling, and unemployment is mounting. As I have pointed out, during the war excise taxes proved to be a very effective device for slowing down consumer buying. The proven efficiency of these taxes to slow down consumer buying is precisely the reason they should be discarded now. Removal of wartime excise taxes could easily be just the stimulus that is needed to reverse the present recessionary trend in business.

The lifting of wartime exercises would, of course, first give an impetus to business in the affected industries. I am sure, however, that very soon the increased business being done in a few industries would chain-react throughout the American business community, increasing production, stabilizing employment, and restoring confidence.

I know it is argued that wartime excise taxes produce a substantial sum of each money which is needed to help reduce the Government deficit. We shouldn't lose sight of the fact, however, that increased business

activity has the twin effects of increasing corporate income taxes and reducing the cost of our unemployment insurance program. I think it is very doubtful that the repeal of wartime excise taxes would have any appreciable effect on total Government revenues.

I realize that other suggestions for dealing with excise taxes have been put forth during this session of Congress. I believe that all of them, however, deal with the problem on a piecemeal basis.

Personally, I feel that all wartime excise taxes are unfair and discriminatory and that they slow down activity in any industry unfortunate enough to be shackled with them.

Therefore, I believe that the only logical, consistent, and equitable course we can follow is to remove all wartime excise taxes through an outright repeal of the general Revenue Act of 1943.

That is what my amendments are designed to do. If, in the development of our legislative agenda, it becomes apparent that some other appropriate bill is called up for debate ahead of H. R. 3905, I will ask that my amendments be added to such a bill.

The amendments submitted by Mr. GURNEY are as follows:

On page 2, beginning with line 17, strike out all down to and including line 12 on page 4, and insert in lieu thereof the following:

"SEC. 3. Repeal of war excise taxes and war excise tax rates imposed by the Revenue Act of 1943.

"(a) Section 1650 of the Internal Revenue Code (war tax rates of certain miscellaneous taxes), as amended, is hereby amended by inserting immediately after the words 'Revenue Act of 1943' the following: ', and ending on the first day of the first month which begins more than 20 days after the date of the enactment of the Excise Tax Reduction Act of 1943.'

"(b) Sections 1651 (retailers' excise tax on luggage, etc.), 1652 (leases, conditional sales, existing contracts, etc.), and 1653 (articles classifiable under more than one section) of the Internal Revenue Code are hereby repealed.

"(c) Section 302 (b) (2) of the Revenue Act of 1943 (period applicable to increase of tax with respect to billiard and pool tables and bowling alleys), as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: ', and continuing through June 30, 1950.'

"(d) Section 309 (b) of the Revenue Act of 1943 as amended, is hereby amended by inserting immediately after the words 'Revenue Act of 1943, the following: ', and ending on the first day of the first month which begins more than 20 days after the date of enactment of the Excise Tax Reduction Act of 1949.'

"(e) The term 'rate reduction date' as used in chapter 9A of the Internal Revenue Code (relating to war taxes and war tax rates) means the first day or the first month which begins more than 20 days after the date of enactment of this act.

"(f) The provisions of subsection (b) shall be effective on and after the first day of the first month which begins more than 20 days after the date of enactment of this act.

"SEC. 4. Short title.

"This act may be cited as the 'Excise Tax Reduction Act of 1949'."

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. McKELLAR. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the

purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 11, line 4, after the word "concerned", insert the following: ": *Provided further*, That when the Department of the Army, under the authority of the act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 percent additional charge required by said act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McKELLAR. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 11, line 4, after the word "concerned", insert the following: ": *Provided*, That when members of the armed forces are employed primarily for the purpose of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid therefrom."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McKELLAR. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 5, line 3, after the date "1950", insert the following: ": *Provided further*, That the list of limited and prohibitive industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of the Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. BRIDGES. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 5, after line 12, insert the following: "The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer: *Provided*, That quarterly reports for the fiscal year 1950 shall be made to the Congress by the Administrator of the program undertaken pursuant to this section."

Mr. BRIDGES also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

COLUMBIA VALLEY ADMINISTRATION

[Mr. CORDON asked and obtained leave to have printed in the RECORD two statements discussing the proposed Columbia Valley Administration, one by Robert Ormond Case, entitled "Democracy on the Retreat," and the other by Assistant Secretary of the Interior, C. Girard Davidson, entitled "Managing the Federal Investment in the Northwest," made before the Oregon Bankers Association convention, Portland, Oreg., June 7, 1949, which appear in the Appendix.]

FEDERAL POWER POLICY FOR PACIFIC NORTHWEST—STATEMENT BY H. G. WEST

[Mr. CAIN asked and obtained leave to have printed in the RECORD a statement in behalf of the need for a Federal power policy for the Pacific Northwest, by H. G. West, executive vice president of the Inland Empire Waterways Association, which appears in the Appendix.]

SALE TO PERMANENTE METALS CORP. OF CERTAIN ALUMINUM PLANTS, ETC.—LETTER FROM ADMIRAL PAUL A. MATHER

[Mr. CAIN asked and obtained leave to have printed in the RECORD a letter from Admiral Paul A. Mather, of the War Assets Administration with regard to the sale to the Permanente Metals Corp. of certain aluminum plants and facilities, which appears in the Appendix.]

FUTURE FARMERS OF AMERICA—STATEMENT BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the Future Farmers of America, which appears in the Appendix.]

SOCIALIZED MEDICINE—EDITORIAL FROM MINNEAPOLIS STAR

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "'Socialized' Medicine?" from the Minneapolis Star of July 6, 1949, which appears in the Appendix.]

THE OHIO FARM BUREAU FEDERATION

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a fact sheet regarding the Licking County Farm Bureau, of Licking County, Ohio, which appears in the Appendix.]

RECIPROCAL TRADE AGREEMENTS AND THE WORLD TRADE PROBLEM—ADDRESS BY NORMAN BURNS

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an address on the subject "Reciprocal Trade Agreements and the World Trade Problem," delivered by Norman Burns, before the State Planning and Development Agencies, Washington, D. C., July 27, 1949, which appears in the Appendix.]

WORLD PEACE AND WORLD FREEDOM—ADDRESS BY EDMUND ORGILL

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an address on "World Peace and World Freedom," delivered by Edmund Orgill before the Fiftieth Congress of the National Retail Hardware Association at Boston, Mass., July 12, 1949, which will appear hereafter in the Appendix.]

THE RECONSTRUCTION FINANCE CORPORATION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. MCCLELLAN. Mr. President, I ask to have printed in the RECORD at this point a statement prepared by me, containing comments of the Reconstruction Finance Corporation on the recommendations of the Hoover Commission affecting the Reconstruction Finance Corporation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows.

STATEMENT OF SENATOR JOHN L. MCCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Reconstruction Finance Corporation, in a 17-page commentary to Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, expressed vigorous dissent to every specific recommendation of the Hoover Commission which applied to the Corporation. Referring to recommendations (Nos. 8 and 18, Federal Business Enterprises Report) which suggest that Congress review the power to make direct loans and restrict such power in nonemergency periods, the RFC states that it is "regrettable that the Commission has departed the field of organization and has entered the controversial field of political economy with its own particular philosophy of the kind and type of service the Federal Government should provide." Such an excursion, the RFC maintains, "detracts from the objectivity and impartiality of the report," as it is "no proposition addressed to the organization of the executive branch," and contends that—

"It deals directly with considerations of the highest public policy and political philosophy concerning the place, function, and extent of participation of the Federal Government in the affairs of the national economy. Thus, although the Commission is somewhat concerned that the power to make direct loans 'opens up opportunities for waste, favoritism, and corruption' without seriously suggesting that there has been any, the principal burden of its recommendation is that 'direct lending should be absolutely avoided except for emergencies' and should be replaced by a program of guaranteeing loans made by private or other established agencies. Accordingly, with respect to RFC, 'the Commission believes it is preferable that the Corporation be reorganized to guarantee loans made by private banks.'"

Asserting that Congress only recently decided this issue, after extended investigations

and hearings, and that the Commission was well aware of such decision, the RFC asserts that it is "permissible to conclude that the Commission has a somewhat predisposed view of this matter, and that its recommendations amount to an unsupported suggestion that the Congress now substitute the Commission's policy for the one it deliberately developed and laid down a little over a year ago."

The RFC sets forth in detail the background and the basic facts upon which the present policies were established by Congress, and then explains the application of its program to existing conditions, stating that "in recent months normal sources of credit have been perceptively retracting," that "the number of applications for RFC loans in certain areas of the country have increased more than 100 percent since the first of the year," and that "there is every indication that the trend will continue to increase during the foreseeable future," elaborating as follows:

"The demand arises from the need of large and small business enterprises for working capital, machinery and equipment, inventory loans and interim construction financing. Recently compiled reports (June 1949) from RFC's 31 loan agencies throughout the country reveal significant trends in the reasons increasingly assigned for the unavailability of usual commercial bank credits; bank's reserve limitations; voluntary reduction in ratio of outstanding loans to deposits; loans contrary to bank's established policy; unascertained reasons. Particularly noticeable are the number of loans declined by private banks because of the length of maturity requested by the borrower. In this connection there is considerable evidence of a growing tendency on the part of commercial banks in certain areas to handle short-term paper only, withdrawing in favor of factoring houses on longer credits which, in their turn and despite their higher interest rates, have begun to withdraw from the market. Extension of loans is being refused at maturity. Many established lines of credit are not being renewed. With increasing frequency, essentially sound enterprises, in need of financial assistance have no recourse other than RFC. Unmistakably there are warning signs."

Challenging the Commission's recommendation that direct loans, not elsewhere available, be made only when an emergency exists, the RFC concludes that this "is equivalent to maintaining that the sluiceways should not be opened until the countryside is in drought." Such policy, the RFC believes, has in the past led to disaster.

Alleging that a loan-guarantee program is no substitute for direct loans, the RFC sets forth its views as follows:

"As an alternative to direct lending the Commission proposes that the Congress should provide a program for the guaranty of loans made by private or other established agencies. But it is difficult to see in what manner the substitution of a guaranty program would answer the needs fulfilled by a direct lending program. Government guaranties of loans made by private institutions would not, alone, provide additional private credit resources since there would be no occasion for guaranty beyond the limits of such resources. It may be that such guaranties would induce private sources to make loans which they would not otherwise consider sound, but the bank's resources available for loans would not thereby be increased. Indeed, by encouraging bankers to invest only where, because of the guaranty, no risk was involved, the end result might well be a decrease in the private resources available for making loans to those enterprises which would not normally be required to furnish guarantors."

"Factual experience gained in the Administration's program to stimulate home building and new construction by financial aid to borrowers through FHA and VA insured,

mortgages supports the conclusions that a guaranty program would not fulfill the needs of the economy. That program did not sufficiently expand the available resources of credit. As lending institutions throughout the country invested in such mortgages to the limit of their resources, credit sources would have been exhausted had not RFC, through FNMA, supplied a secondary market for the absorption of such securities, thus freeing funds for additional investments.

The RFC groups three recommendations (No. 3, Treasury Department; No. 11, Federal Business Enterprises; and No. 15, Department of the Interior) which provide for vesting in the Secretary of the Treasury the supervision of the operations of the RFC, placing the Federal National Mortgage Association under the Administrator of the Housing and Home Finance Agency, and transferring the operation of the Government tin smelter of Texas City, Tex., to the Bureau of Mines, to which it takes exception. While agreeing with the broad objective of the Commission, to group agencies with related functions, the Corporation contends that:

"In general we agree with the broad objective of the Commission to organize as many of the agencies of the Government into the Executive Departments as possible and to place related functions in the same or closely related agencies grouped together under one Department. This fundamental concept of like purposes as distinguished from methods utilized to achieve a given purpose should in our opinion, govern the entire reorganization activities. It must be borne in mind, however, that while this formula affords a practical rule of thumb there will be certain agencies or activities which are not readily susceptible of such classification or grouping. A separate status or different treatment for such agencies would be a proper exception to and not a violation of the rule. In the three recommendations quoted above, we believe the commission has departed from its own principles."

The Corporation maintains that the supervision of RFC operations by the Treasury involves "a strained and mistaken application" of the organization formula "rather than a recognition of the essentially different purposes served by the RFC and the Treasury Department", and sets forth its position, as follows:

"The mere fact that in the performance of its duties, the RFC makes direct loans to private individuals and institutions and is a 'moneyed' corporation, is insufficient reason to put it in the Treasury Department. Such reasoning confuses means and ends and does violence to the standard of similarity of 'major purposes' which the Commission laid down for itself. Indeed, the making of loans is but one of several techniques by which the Corporation aids in financing various segments of the economy. With RFC's broad social and economic purposes the functions of the Treasury Department in collecting revenues, acting as custodian of public funds, managing the public debt, etc., would appear to have little, if anything, in common."

The RFC concludes its comments on this proposal by stating that if the RFC is subjected to the "over-riding policies and objectives of the essentially different purposes of the Treasury Department, the broad social and economic purposes served by the Corporation will be impaired", which it contends is in contrast to the purposes of the RFC as declared by the Congress.

Detailing its objections to a transfer of the Federal National Mortgage Association to the Housing and Home Finance Agency, the RFC contends that FNMA "is not a housing activity" and, therefore, its grouping with housing activities in a single agency is not proper. The Corporation states that "its primary purpose is to provide a reservoir of

credit which private lending institutions can tap by the sale of mortgages already insured or guaranteed by the Government when their own portfolios require it", concluding that:

"Except for its original invested capital FNMA operates entirely upon money borrowed from the RFC and is administered as a subdivision of the Corporation, its activities being very similar in purpose and in administrative requirements to the other lending activities of the RFC. The recent passage of S. J. Res. 114 increasing FNMA's mortgage purchasing authority by \$500,000,000 and the proposed S. 2246, which, in addition to its purchasing authority, would authorize FNMA to make direct loans to veterans for home building serves to emphasize the essentially banking aspects of the functions which FNMA performs—functions intimately connected with RFC's regular business and hardly to be characterized as 'housing activities'."

As to the proposed transfer of the Government tin smelter to the Bureau of Mines, the RFC contends that this is "essentially a business enterprise and as such requires the application of business and other skills entirely foreign to the Bureau of Mines," and that this recommendation is apparently "based upon the premise that this is a technical operation which should be allied with the research and technical service of the Bureau of Mines". The Corporation continues that "while the Bureau of Mines might well review the operations of the smelter so far as they concern the results of experimental work involving technical processes we feel that the over-all operations should continue to be considered as a business enterprise."

At this point the RFC also takes exception to recommendation No. 14 (Department of the Interior report), which provides in connection with its financing that the RFC should secure reports from the proposed Mineral Resources Services of the Department of the Interior on the ground that it "has always followed the practice of using to the extent consistent with efficiency and economy the services available from other governmental agencies, including the Bureau of Mines, and of coordinating its activities with those of such agencies." The Corporation contends that to shift this program to the Bureau of Mines would result in no savings inasmuch as the personnel of RFC involved in this activity also have other duties, and further, that all of the operating experience of the RFC would be lost if it were transferred.

In part II of its report the RFC comments on the Hoover Commission across-the-board reports dealing with general management, personnel management, budgeting and accounting, and general services, and some additional objections relative to other sections of the report on Federal business enterprises.

The Corporation is in accord with the general purposes of recommendations 2 through 7, inclusive, of the latter report, except for slight reservations under recommendation No. 6, wherein it does not "agree with the implication in item (a) that the Corporation's capital, fixed by Congress, should in effect be considered as interest-bearing debt," and also to recommendation No. 7, stating that "there seems to be no reason why expenses should not be paid from income if the activity in question is an income-producing one and a proper accounting is made." With reference to recommendation No. 1 of this report, relative to the lending powers of Government corporations, the RFC states that it does not agree with item (d) that capital additions should be expended from appropriated funds on the basis that the Government Corporation Control Act provides for congressional approval of all expenditures made from corporate funds. They also object to item (e), which it states "raises a fundamental accounting principle—where interest is

an element of the cost of construction it should be so recorded; however, where interest is not such an element it should not be recorded"; and to item (f) with respect to advisory boards, contending that "a full-time board of directors, exercising executive controls, is essential to the proper conduct of its affairs."

The RFC also points out that recommendation No. 10 (f) of this report, regarding the Defense Homes Corporation, has been effectively accomplished by congressional transfer of that Corporation's assets and liabilities to RFC for liquidation.

The Corporation concurs with the principles established under the report on general management of the executive branch, with slight reservations, some of which are set forth in part I, wherein it emphasized "the importance of having the major purpose of each department and agency of the Government well defined by the Congress and concurred in by the Chief Executive, and of having these purposes constantly in mind in the grouping of the departments."

The RFC states that it is generally in accord with the principles set forth in the Commission's report on personnel management, but points up certain position deviations from strict regulations as regards appointments to the higher grades of professional, scientific, and administrative positions, and expresses some difference of opinion with regard to recommendations 5 and 23, stating that "we consider that the methods prescribed under these recommendations do not give adequate consideration to veterans' preference or seniority of career employees." It also points out certain inconsistencies in recommendations 4 and 22 relative to a proposed simplified efficiency rating system, stating that "paragraph (b) of this recommendation indicates the purpose for which the simplified rating should not be used, but does not specify a purpose for which it should be used." The Corporation concludes by stating that the application of many of the principles advocated in the Hoover Commission's report "will require further study and development of detailed procedural recommendations," and expressing its view that the question of overstaffing or understaffing an agency operation (recommendation No. 27) should be left to the Bureau of the Budget and the individual agency rather than assigned to the Civil Service Commission.

In expressing general agreement with the report on Budgeting and Accounting, except for necessary deviations required in the operations of the RFC in specialized fields which would not permit strict conformity with specific recommendations, the Corporation concludes with a general endorsement of the proposal (recommendation No. 10) to establish in the executive branch of the Government a central accounting office with the functions of prescribing general accounting methods applicable to all departments and agencies of the Government, to which it makes four reservations, in order to insure conformation with existing practices as they relate specifically to Government corporations under which the RFC operates.

With respect to recommendation No. 13, relating to the payment of fidelity bond premiums by Federal employees, the RFC states that "it is difficult to understand why the Commission failed to recommend a self-insurance program on the part of the Government or a program under which the Government would insure accountable officers for a premium of about 10 percent of that now being paid."

The Corporation does not comment on the report on the Office of General Services other than to state, "we believe that the better features of the Commission's report on this subject have been incorporated in the Federal Property and Administrative Services Act of 1949 (Public Law 152)."

In response to a specific inquiry addressed to it by the chairman of this committee, the RFC stated that "most of the organizational and procedural reforms recommended by the Commission * * * have for some time been in effect of the RFC. * * * The greater economies that have been effected are undoubtedly the result of action of the Congress. Substantial economies can nevertheless be attributed to the administrative policies of the RFC. The proportion, however, would be conjectural."

The letter from the Chairman of the Reconstruction Finance Corporation, transmitting the report, follows:

RECONSTRUCTION FINANCE CORPORATION,
Washington, July 27, 1949.

HON. JOHN L. MCCLELLAN,

United States Senate, Washington, D. C.

DEAR SENATOR MCCLELLAN: Under date of May 23, 1949, you requested this Corporation to furnish your committee with its comments with respect to the application of the various recommendations and textual discussions in the reports of the Commission on Organization of the Executive Branch of the Government insofar as they related directly or indirectly to this Corporation. We have endeavored to comply with your request in the enclosed report of this Corporation.

In part I thereof we have dealt at length with those recommendations of the Commission which affect Reconstruction Finance Corporation with particular significance. They are recommendation No. 8 of the Commission's report on Federal Business Enterprises to the effect that the direct lending power of the Government in nonemergency periods be restricted or alternatively that a guarantee program of loans made by private banks be substituted therefor; Recommendation No. 18 in the same report that Congress review the Reconstruction Finance Corporation in the light of recommendation No. 8; recommendation No. 11 in the same report that Federal National Mortgage Association, a wholly owned subsidiary of Reconstruction Finance Corporation be transferred to the Housing and Home Finance Agency; recommendation No. 3 in the Commission's report on the Treasury Department that Reconstruction Finance Corporation be transferred to that Department and recommendation No. 15 in the Commission's report on the Interior Department that the operation of the Government-owned tin smelter at Texas City, Tex., be transferred to the Bureau of Mines. It is interesting to note that no recommendations were made with respect to the synthetic rubber manufacturing plants operated by Reconstruction Finance Corporation.

In part II of the report we present our views on the other recommendations contained in the Report on Federal Business Enterprises, Budgeting and Accounting, Personnel Management, Management of the Executive Branch, and Office of General Services—Supply Activities, insofar as they have general application to this Corporation. Other recommendations which are not applicable to RFC are not covered either in general or indirectly in this report.

As is more fully set out in the attached report, we have indicated many of the recommendations contained in the various reports of the Commission have been effected within Reconstruction Finance Corporation either by administrative action or by recent legislative administration (Public Law 548—80th Cong., approved June 28, 1945). In view of the fact that substantial savings in administrative expenses are effected by the above legislation, which, among other things, divested Reconstruction Finance Corporation of most of its extraordinary wartime powers and of most of its nonlending operations other than the operation of the Government's tin smelter at Texas City, Tex., and the synthetic-rubber program, pursuant to the Rubber Act of 1948, it would be difficult

to establish what proportion of the total savings involved is attributable to administrative action; undoubtedly it has been substantial.

We will, of course, be happy to furnish any supplemental information or detail that your committee may require.

This report has not been cleared with the Legislative Committee of the Bureau of the Budget, but a copy has been transmitted to it.

Very truly yours,

HARLEY HISE,
Chairman.

(The full text of the comments of the Reconstruction Finance Corporation is available at the office of the Senate Committee on Expenditures in the Executive Departments, room 357, Senate Office Building.)

ECA APPROPRIATIONS—LETTER FROM AMERICAN FARM BUREAU FEDERATION

Mr. MCCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a letter which I have received from the American Farm Bureau Federation, under date of July 29, 1949, signed by John C. Lynn, assistant director, Washington office, together with my reply thereto, dated July 30, 1949. The letters relate to a pending amendment to the ECA appropriation bill which was discussed in the Senate when the bill was before us.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., July 29, 1949.

HON. JOHN L. MCCLELLAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCLELLAN: The American Farm Bureau Federation is deeply concerned over the status of the ECA appropriation for 1949-50. We have endorsed and vigorously supported the ECA program from its conception based on the premise that this was a recovery program for western Europe. It is our sincere belief that the program, thus far, has accomplished much toward the recovery of the participating countries and we are very desirous to see this progress continued. We favor strict economy in Government expenditures, however, we doubt the advisability of a further cut in ECA at this time.

We strongly urge your support of the provisions in the House bill which would permit the expenditure of the \$3,568,470,000 within 10½ months if the President of the United States or the Administrator of ECA find that conditions make this necessary. We have full confidence that Administrator Hoffman will keep his pledge not to use an unnecessary dollar.

We believe that the European countries working through their own organization, OEEC, must assume the major responsibility for their recovery. We must maintain the right to pass upon and approve all plans for recovery presented by the European countries but the United States has consistently demanded that formulating these plans and executing them is the primary responsibility of the participating nations.

The McClellan amendment now being considered by the Senate, we think, abandons these principles. The American Farm Bureau Federation is very much interested in solving the agricultural surplus problems of this country, however, we feel it would be a serious mistake for us to assume the responsibility of dictating to European nations what they must buy and thereby lessen their responsibility for consummating their own plans. We believe the most effective way to insure permanent markets for our agricul-

tural products is to provide adequate funds for the continued recovery of western Europe.

We hope you will consider these points in making your decision on the appropriations for the European recovery program.

Sincerely yours,

JOHN C. LYNN,
Assistant Director Washington Office.

UNITED STATES SENATE,
Washington, D. C., July 30, 1949.

Mr. JOHN C. LYNN,
Assistant Director,
American Farm Bureau Federation,
Washington, D. C.

DEAR Mr. LYNN: Your letter of July 29 regarding the ECA appropriations for 1949-50 has just been received. I have noted with interest your comments and your Bureau's announced position with reference to this program.

I also note your opposition to the amendment that I am sponsoring. You say that your organization endorsed and has vigorously supported the ECA program from its inception based on the premise that this was a "recovery program for western Europe." True, the general objective of the program is "recovery" but there can be no recovery without survival while such recovery is in process, and, therefore, as must be conceded, a large part of the expenditures involved are for relief. At least, such expenditures as are made for food and other agricultural products that are necessary for sustenance pending recovery are expenditures in the nature of relief.

There is no objection to the participating countries themselves assuming the major responsibility for their recovery, as you suggest, and I agree with you that "we must maintain the right to pass upon and approve all plans for recovery presented by those countries." You say the United States has consistently demanded that formulating these plans and executing them are the primary responsibilities of the participating nations. With that, I agree.

In formulating their plans for 1949-50, the participating countries have represented to the ECA, and the ECA in turn has represented to the Congress that certain specified quantities and kinds of agricultural products, now in surplus here, will be required to carry out the program. We are proceeding on the assumption that these representations were made in good faith and are substantially correct. That they may not be wholly accurate may well be conceded, but to the extent they are accurate, or to the extent that the participating countries find they really need and must be supplied agricultural products which we have in surplus, my amendment to the bill simply says, "We will give you the dollars with which to buy such of these products as you may need and require up to the amount you have indicated. But we will not give you dollars for this purpose and permit you to buy these products in other countries while we have a surplus of them here, nor will we give you the dollars and permit you to divert and expend them for some other purpose."

What is wrong with that? If they find they do not need the products in kind and quantities that they have represented to the ECA they will need and that the ECA has represented to the Congress they will need (and they contended that these were the very minimums necessary), they can simply buy less. The amendment does not require them to take the full amount of any commodity but simply says the money appropriated that would be required to purchase these commodities shall be available only for that purpose.

Some editorial writers and commentators have charged that this amendment is a "dumping" provision. It is no more a "dumping" provision—in fact, it is less so than is the entire program. If the term

"dumping" can be applied to agricultural commodities, then with equal force it is applicable to the total dollar expenditure involved in the entire program. If we do not dump these surplus agricultural commodities that we have, and they claim they need and want, then the only alternative is to dump billions of dollars out of the United States Treasury, which we do not have, and which must be borrowed and added to the national debt. Is that what you recommend?

Some have expressed the fear that such action as my amendment provides will tend to destroy future American markets. That is absurd. The giving of dollars to them to patronize agricultural markets of other countries would have a far greater tendency toward destroying our future markets than would be had by requiring them to spend here such money as we may provide for the purchase of agricultural commodities of the kinds and quantities of which we have a surplus.

I have undertaken to consider the points you raised and the above are my views.

I have always held in high esteem the American Farm Bureau. Almost without exception I have supported its policies because I believed they were sound and in the interest of agriculture generally and the Nation as a whole. I deeply regret to be in disagreement with you on this particular issue but I am fully convinced that my position is justified, and I accord to you most respectfully the right to disagree with me.

With kindest regards, I am,

Sincerely yours,

JOHN L. MCCLELLAN.

THE MEANING OF COMING LABOR DAY, 1949

Mr. WILEY. Mr. President, I send to the desk a statement on Wisconsin labor in connection with forthcoming Labor Day, 1949, on which I ask unanimous consent for printing at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Another Labor Day will soon be at hand. Once again, on September 5, we will pause to pay tribute to America's working men and working women without whom this Nation could not exist. Without them, it could not enjoy the freedom and high standard of living which we have always taken for granted.

Of course, as on every Labor Day, there'll be a lot of "jawing"—a lot of fancy words spoken by way of endorsement of labor's role. Laboring folks know, however, that the thing that really counts is not mere words however sincere—because words, after all, are pretty cheap—but actions. I would like to set forth, therefore, some steps which I believe are in the best interests of working men and women and as a matter of fact, in the best interests of all segments of Wisconsin and American society.

Yes, let's analyze the meaning of Labor Day, 1949—not in highfaluting, meaningless jabber—but in terms of real deeds.

JUSTICE FOR WORKERS

On Labor Day, it is up to all of us to rededicate ourselves by actions to assure a fair break for our State's and Nation's toilers—for the guy in the overalls sweating at the corner gasoline station or working behind a costly machine tool, for the fellow in the food processing plant, the foundry, the printing shop, the electrical shop, the furniture shop, or in textiles, clothing, lumber, aluminum, automobile, or leather goods. Yes, for the manual toiler or the white-collar worker in any of the other varied enterprises which stamp "made in Wisconsin" on goods respected throughout the globe.

PROBLEM OF UNEMPLOYMENT

This year a cloud will be over labor—a cloud of unemployment—a shortened work-week, less take-home pay, less money to buy the necessities of life and give one's wife and kids all the things we want to. The problem of unemployment is not, however, a subject for us to start making charges and accusations about. Don't let anyone kid you. American businessmen are just as deeply concerned about this problem as are unions or nonunion workers. After all, employers stand to lose their life savings if unemployment continues and a depression develops. It is up to labor, management, government, and agriculture to pitch in and demonstrate teamwork to lick this problem. We have got to find the markets for Wisconsin products so that there will be full employment. Ninety percent of Badger manufactures are shipped outside the State—that means there must be purchasing power elsewhere to buy them.

EVIL RESULTS OF UNNECESSARY STRIKES

Let that, therefore, be our number one aim—achieving teamwork so as to insure purchasing power and continuous production. The laboring man knows that where production is broken by unnecessary strikes, everybody is hurt and nobody is helped except the Communists or other alien-minded agitators. With unnecessary strikes, laboring men lose pay envelopes that they cannot make up for years and years, no matter how much wages are increased. Management loses profits (and let's remember that part of those profits must go toward developing new machinery and replacing old machinery, repairing worn out plants and doing other things that are necessary if businesses are to continue).

Yes, when unnecessary strikes occur, stockholders lose dividends and they are unwilling to invest their money. Failure to invest money means that there will be fewer jobs. With unnecessary strikes, the farmer finds that the city folks can't buy the food he produces. With unnecessary strikes, the Government loses tax revenue. Let's recognize those facts and try to achieve unbroken production to the greatest extent possible.

CHOOSING CONSCIENTIOUS CANDIDATES IN 1950

2. Another constructive step for working men and women is to start thinking in terms of a wise use of the ballot in 1950. When a working man or woman goes into the election booth, he or she is completely free and independent. No "wise-guy" labor official can control the free American worker in the casting of his or her ballot.

Don't therefore, let anybody scare you into casting your ballot for any individual who is not really a believer in our free American system. Don't let anybody force you to contribute \$1 or \$2 or more for candidates who aren't really interested in your welfare, but are only interested in agitating, in promoting strife, discord. Don't be a sucker in voting for a Congress which would be the slave of a few labor racketeers or parlor pinks or Reds.

Do you want a Congress which takes orders from a few labor bigshots, a Congress which is just a Charley McCarthy for a few rough characters entrenched in key labor spots? Or do you, as I'm sure you do, want a free Congress—a liberty-loving Senate and House—which takes orders from no one, but which tries to serve the best interests of the honest rank-and-file worker, the little-business man, the housewife, the farmer and everyone else? The choice is yours, my friends.

WORKERS FIGHT UNION BOSSES' POLITICAL STOOGES

I would like to quote from a letter which I just received this morning from Milwaukee: "I just returned from a 2-day session of a labor organization * * *. They are preparing money and political machinery to

defeat (free enterprise candidates like yourself) in the next election. Of course you had friends there who opposed such a policy * * *. Some definite action should be prepared to combat such a procedure, and I stand willing with other men sympathetic to you to lend any aid possible."

There is a message straight from the heart of a Wisconsin worker. I have received many other messages similar to it and I am tremendously grateful for such communications. This isn't just a personal matter. The thing that I am interested in is to make sure that in the 1950 election, Senators and Representatives will be reelected and elected, who believe as I do, in our American way of life and who don't want racketeers' stooges to be placed in high public office.

I know what it is to come up from the ranks of labor. I know what it is to work 11 hours a day for 15 cents an hour. I know that the men in topnotch positions in Wisconsin businesses these days have, in countless instances, come up the hard way, by sweat and toil. I know that these businessmen are interested in labor's legitimate rights.

WORKERS SUPPORT TAFT-HARTLEY LAW

3. Another way by which labor can demonstrate self-interest is to make sure that it doesn't fall for the "baloney" about the alleged evils of the Taft-Hartley law. That law has been terribly smeared. It has been called every name in the book. Yet every public-opinion poll taken among workingmen shows that they overwhelmingly support its provisions.

Laboring men, for example, don't want Communists to control unions. They don't want racketeers to misuse union funds. They don't want "goons" to cause violence in disputes. They don't want "featherbedding"—they don't like anyone to receive money which they don't really earn.

The honest American laborer believes in an honest day's work for an honest dollar. He believes that no strike should be allowed in key public utilities or a Nation-wide industry which could paralyze this whole country. Laboring men, for example, don't believe that any man, whether he be a worker or a manager, should have the right to close an electric utility plant, plunging a whole city into darkness, depriving hospitals of light as well as causing complete break-down of industry because of lack of electric power.

Laboring men recognize that the Taft-Hartley law prevents all of these things. It prevents Red control of unions, prevents swindling of labor funds. That is why laboring men believe in and support the Taft-Hartley law with certain modifications in order to iron out inequities.

WHAT TWO WISCONSIN WORKERS SAY

Read what a woman worker in Milwaukee wrote me a few days ago:

"I've been a union member for over 31 years. * * * I'm in favor of the Taft-Hartley law. There were many abuses by labor leaders that needed correction. * * * Unions should be restricted as to unfair labor practices."

Here is what another Wisconsin worker writes:

"DEAR SENATOR WILEY: I work in a union shop and today was handed a postcard addressed to you and told to sign it and return to the union officials for checking and mailing. This card asked for the repeal of the Taft-Hartley law. We had no choice but to sign the card or get in bad with our union officials. My feeling in the matter is that this law needs changing, but that if repealed, it should be replaced by a law protecting the union and nonunion laboring men from dictatorship of the union officials. I believe that the working man should have the right to join or not to join a union."

I could quote from many other messages from Wisconsin workers saying in effect:

"More power to you, Senator. Protect our rights from the racketeering big-shots. Retain the Taft-Hartley law."

Well, now, what else, should we plan for and fight for on Labor Day, 1949, and every other day of the year?

TAXES ARE CUTTING TAKE-HOME PAY

Here's an item—a big item—tax reduction. Laboring men recognize that if business is paralyzed by heavy taxes, it cannot possibly expand and create new jobs or for that matter, keep old jobs. Right now, every American working man is giving around 1 day out of every week to the Government in Federal taxes. Right now, in fact, taxes in our country take up over 30 percent of the whole national income. The Federal Government is gobbling up so much taxes that the State and localities in Wisconsin find that they have no items to tax to support their own operations.

Working men recognize these facts. They have written to me endorsing the tax repeal legislation which I have introduced—the legislation to end taxes on leather goods, furs, jewelry, cosmetics, telegrams, household appliances, and hundreds of other items. They know these taxes cause unemployment.

A union official in West Bend, Wis., writes:

"I want to personally thank you for your effort for the repeal of the tax on personal leather goods. You are on the right track for our jobs in the leather factory that I am an employee of will benefit greatly by that bill. I consider a billfold not a 'luxury' item and cannot and have not ever seen why they were taxed. The repeal of the tax I'm sure will mean a greater sale in billfolds and that is what we all want in this country—our products to be sold. That way there will be work for us and other people like ourselves connected with the leather industry and industry on a whole. I would appreciate it very much if you could send me a copy of your bill."

A musicians' union secretary in Kenosha emphasizes importance of tax relief:

"Please rest assured that we are behind you 100 percent in trying to eliminate this entertainment tax. I know that the American Federation of Musicians will be extremely grateful to you and we take our hats off to you for rendering a great service to the American public."

Right along the line of tax reduction, workingmen recognize, too, that economy is necessary in Government operations. So long as we have a \$44,000,000,000 budget, we are going to have heavy taxes. Therefore, workers support necessary cuts in Government appropriations wherever possible. Federal economy means less taxes which means more jobs.

These, then, and other actions are necessary if we are to pay a real tribute to American labor in 1949 and any other year.

The fellows in overalls today wore military and naval uniforms but a few years ago. They love this wonderful country—they've fought and bled for it. They want their kids to grow up and prosper in it—in the free American way.

DEBUNKING THE SMEAR WORDS

They recognize that the labor racketeers will smear the men who believe in free enterprise. The bigsters will call them "anti-labor," "reactionary," and every other smear word, even though the men they smear came up themselves from the ranks of labor.

CONCLUSION

Let's not be a sucker for smear-artists. Let all of us who believe in America—who believe in decent wages, decent hours, decent working conditions, fair taxes, stand together for a strong, united America on Labor Day and every day.

ARMY, NAVY, AND AIR FORCE NOMINATIONS

Mr. TYDINGS. Mr. President, I ask unanimous consent to submit from the Committee on Armed Services favorable reports on certain routine appointments and promotions in the Army, Navy, and Air Force, to which no single objection has been made. The report is made by unanimous vote of the committee.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. TYDINGS. Mr. President, I ask that the nominations be considered at this time, that they be confirmed, and that the President be immediately notified.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, the nominations are confirmed en bloc, and the President will be notified at once.

ADJUSTMENT OF LINEAL POSITIONS OF CERTAIN NAVAL OFFICERS

Mr. TYDINGS. Mr. President, the Secretary of the Navy this morning called my attention to a situation which I hope will incline the Congress to take immediate action on a bill now on the calendar, House bill 5238. This bill has already been passed by the House and been reported unanimously from the Committee on Armed Services of the Senate. Its title is "To authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes."

It so happens that we created some time ago what is known as the limited-duty officer. Some of these men are enlisted men. They are specialists in particular fields. Their commissions will expire on the 7th of August unless House bill 5238 is enacted prior to that time. In view of the fact that the bill has been passed by the House, that it comes to the Senate with the unanimous support of the Armed Services Committee of the Senate, and in view of the further fact that these men are specialists, and are already holding these positions temporarily, and for the further reason that the commissions will expire on the 7th of this month, I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I understood the distinguished Senator from Maryland to say that the bill had the unanimous support of the members of the Armed Services Committee of the Senate?

Mr. TYDINGS. That is correct.

Mr. WHERRY. A second question. As I understand, these men are specialists, and hold temporary commissions?

Mr. TYDINGS. That is correct. They are limited-duty officers in specialties.

Mr. WHERRY. Unless their terms are extended, through the passage of the bill, for a year, they will go back to the enlisted ranks, and we might lose their services as specialists.

Mr. TYDINGS. Their commissions expire by law on the 7th of August, this month.

Mr. WHERRY. How many men are involved?

Mr. TYDINGS. Two hundred and fifty.

Mr. WHERRY. Does the Senator know any situation in the Army which is comparable?

Mr. TYDINGS. I do not. These men are in the Navy.

Mr. GURNEY. Mr. President, I join the Senator from Maryland in asking unanimous consent for immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to present consideration of the bill?

There being no objection, the bill (H. R. 5238) to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 329) amending an act making temporary appropriations for the fiscal year 1950, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 327) making an additional appropriation for control of emergency outbreaks of insects and plant diseases; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. KERR, Mr. RABAUT, Mr. TABER, and Mr. WIGGLESWORTH, were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1288. An act for the relief of certain officers and members of the crew of the steamship *Taiyuan*;

H. R. 1466. An act for the relief of Daniel Kim;

H. R. 1472. An act for the relief of the Olympic Hotel;

H. R. 1625. An act for the relief of Christine Kono;

H. R. 2084. An act for the relief of Telko Horikawa and Yoshiko Horikawa; and

H. R. 2850. An act for the relief of Denise Simeon Boutant.

LEGISLATIVE PROGRAM—COMMENTS BY VICE PRESIDENT ON CERTAIN PARLIAM- ENTARY RULINGS

Mr. WHERRY. Mr. President, may I ask the distinguished majority leader what the legislative program will be after the passage of the independent offices appropriation bill?

Mr. LUCAS. Mr. President, the Senate will proceed with consideration of the independent offices appropriation bill as

the pending business before the Senate. The ECA appropriation bill has just been reported by the Appropriations Committee. It contains some provisions to which at least certain Members of the Senate desire to give some consideration before we take up the bill. However, the Senate may displace the independent offices appropriation bill with the ECA bill sometime later this afternoon, because the ECA is completely out of money, and it is necessary that we take action to dispose of that bill with all convenient speed.

The VICE PRESIDENT. The Chair would like to ask the indulgence of the Senate for a moment. The Chair spent Saturday and Sunday examining the CONGRESSIONAL RECORD and the decisions and opinions and votes of the Senate on matters which were before the Senate last week on points of order, trying to clarify his own mind as to what the rule is with regard to germaneness and also with regard to legislation.

The Chair also feels that he owes former Vice President Wallace an apology for the remark he made describing a decision of his as being illogical. It turns out, after an examination of the RECORD, that the present occupant of the Chair, being then a Senator from Kentucky, took the same position in the debate that Vice President Wallace took in his decision. The Senate overruled the decision of the Chair. The present occupant of the Chair was misinformed, and thought the Chair had ruled as the Senate finally ruled. That is why the present occupant of the Chair made the remark he did. The Chair is sorry about it. But in the interchange of views and conversations between Senators and the Parliamentarian while the Chair has two ears, he can hear only one thing at a time.

The Chair has not yet made up his mind to his own satisfaction as to how clear or muddy this rule is. The Chair would like to read the bill, as it has been reported again, and reread some of the debates on the matter, so that he may be more prepared if points of order are made, to pass upon them without too much delay. It would be an accommodation to the Chair if the ECA bill were not taken up at the moment—perhaps not until tomorrow. The Chair realizes how important it is that the legislation be passed, but it is also important that we clarify the tangled situation in regard to what the rules mean.

Mr. WHERRY. Mr. President, may I inquire of the distinguished majority leader, in the event the ECA bill is not taken up today, what appropriation bill might be taken up this afternoon?

Mr. LUCAS. It is my understanding, from the Senator from Wyoming [Mr. O'MAHONEY] that we will not finish the independent offices appropriation bill this afternoon. If that is the case, we will surely consider the ECA bill before we finish the independent offices appropriation bill.

Mr. O'MAHONEY. Mr. President, that statement was made by the Senator from Wyoming, Mr. President, only by reason of the experience the Senator has had during the past 3 days.

Mr. LUCAS. Mr. President, I am sure the Senator from Wyoming is justified in drawing that conclusion.

Mr. O'MAHONEY. I was led to hope Friday that perhaps we might proceed more speedily in the further consideration of the bill; but that remains to be seen.

Mr. WHERRY. If I may ask another question of the majority leader, has he yet planned whether there will be night sessions this week?

Mr. LUCAS. Mr. President, I seriously doubt whether we will have any night sessions this week. We had two night sessions last week and I do not think we accomplished too much as a result of those night sessions.

INDEPENDENT OFFICES APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Delaware [Mr. WILLIAMS], to the committee amendment, on page 51, line 21, to strike out "\$63,054,424", and insert "\$59,901,703."

Mr. O'MAHONEY. Mr. President, the committee in reporting this amendment increasing the amount available for salaries and expenses from \$62,380,424, as passed by the House, to \$63,054,424, has increased the appropriation by only \$674,000. Even with that increase, the amount allowed by the committee is 12 percent below the budget estimate. It is in figures below the budget estimate by \$9,086,966, the estimate of the Budget Bureau having been \$72,141,390. The amendment by the Senator from Delaware, which would reduce the appropriation to \$59,901,703, amounts to a cut of almost 17 percent, or \$12,239,687. I submit that a reduction of 17 percent, which is 5 percent more than the reduction of 12 percent already made by the committee, is just a little too much.

In view of the fact that General Fleming has been made chairman of the Maritime Commission and is now applying his undoubted abilities as an administrator, and in view of the fact that he has already established a record for economy in the Federal Works Administration, of which he was the head, it would seem to me to be a little excessive to deprive him of the personnel and facilities with which he might be expected to carry on an efficient and effective administration.

I grant, and the committee has felt, that there are savings to be made in the administration of the Maritime Commission. The committee will propose amendments as soon as this one is disposed of. I have already called attention to the fact that there is an amendment to the contract authority. On Friday last we had a long discussion about the handling of the *Mariposa* and the *Monterey*. My position is that we should not make the very steep cut suggested by the Senator from Delaware on this item, but should be content with the cuts which are presented elsewhere.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LANGER. If the amendment of the Senator from Delaware is adopted, how much will be cut from the appropriation for the training of young men at Kings Point, Sheepshead Bay, and the other schools?

Mr. O'MAHONEY. The amendment will not affect those items at all; they are provided for at a different place in the bill.

Mr. LANGER. On page 54?

Mr. O'MAHONEY. Yes; and that is a different item.

Mr. LANGER. Then, the amendment proposed by the Senator from Delaware does not affect that item at all?

Mr. O'MAHONEY. No.

Mr. LANGER. What does it affect?

Mr. O'MAHONEY. It affects the salaries and expenses of the administrative authority of the Maritime Commission, in its headquarters.

Mr. LANGER. I thank the Senator.

Mr. WILLIAMS. Mr. President, if the Senator from Wyoming has finished, I desire to obtain the floor. First, I ask for the yeas and nays on this amendment.

Mr. FLANDERS. Mr. President, I should like to make some inquiries before the voting occurs.

Mr. O'MAHONEY. I shall be very happy to answer any questions I can.

Mr. FLANDERS. I have been very much interested in changing what has seemed to be the Maritime Commission's policy of paying too much attention to old types of luxury transportation across the North Atlantic, and not paying enough attention to the possibilities of developing something equivalent to coach-type railway service across the North Atlantic.

There have been before the Maritime Commission proposals for reconditioning two of the vessels in the Pacific service for this cheaper form of mass transportation across the North Atlantic. I should like to inquire whether, so far as the Senator from Wyoming knows, the appropriation as provided by the House of Representatives permits that project to go ahead.

Mr. O'MAHONEY. Let me say to the Senator from Vermont that that problem is involved, not in this item, but in the contract authorization which is to be found on page 52, in line 22. The House granted contract authority for new ship construction in the amount of \$70,125,000. The Senate committee has reduced that amount to \$50,000,000. As justification for the \$70,000,000 figure, it was proposed by the Maritime Commission that two vessels of the type to which the Senator refers should be constructed for transportation along the Pacific coast of the trailers which so frequently are carried behind motor trucks on the highways. Under this proposal, these two vessels would be constructed in such a way as to afford, so we were told, rather rapid transportation of trailers up and down the Pacific coast. The committee, in making the flat reduction to \$50,000,000, did not attempt to make allocation as to the use of the fund among the three purposes which were mentioned in the justification: The construction of these two vessels, the construction of two vessels to

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BRIDGES to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, viz: On page 5, after line 12, insert the following:

1 The Administrator shall utilize such amounts of the
2 local currency allocated pursuant to section 115 (h) of
3 Public Law 472, Eightieth Congress, as amended, as may
4 be necessary, to give full and continuous publicity through
5 the press, radio, and all other available media, so as to
6 inform the peoples of the participating countries regarding
7 the assistance, including its purpose, source, and character,
8 furnished by the American taxpayer: *Provided*, That quar-
9 terly reports for the fiscal year 1950 shall be made to the
10 Congress by the Administrator of the program undertaken
11 pursuant to this section.

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. BRIDGES to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 1 (legislative day, JUNE 2), 1949
Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McKELLAR to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, viz:

- 1 On page 11, line 4, after the word “concerned”, insert
- 2 the following: “: *Provided*, That when members of the
- 3 armed forces are employed primarily for the purpose of
- 4 this appropriation, the mileage and other travel allowances
- 5 to which they may be entitled shall be paid therefrom”.

81st CONGRESS
1st Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McKEELAR to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McKELLAR to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, viz:

1 On page 11, line 4, after the word "concerned", insert
2 the following: "*: Provided further, That when the Depart-*
3 *ment of the Army, under the authority of the Act of March*
4 *3, 1911, as amended (10 U. S. C. 1253), furnishes sub-*
5 *sistence supplies to personnel of civilian agencies of the*
6 *United States Government serving in Germany, payment*
7 *therefor by such personnel shall be made without regard to*
8 *the 10 per centum additional charge required by said Act,*
9 *but payment for subsistence supplies by such personnel shall*
10 *be at the same rate as is paid by civilian personnel of the*
11 *Department of the Army serving in Germany"*.

81ST CONGRESS
1ST Session

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McKEELAR to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MCKELLAR to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, viz:

- 1 On page 5, line 3, after the date "1950", insert the
- 2 following: "*: Provided further, That the list of limited and*
- 3 *prohibitive industries scheduled for destruction in, or re-*
- 4 *moval from, Germany shall be reviewed and the Admin-*
- 5 *istrator of the Economic Cooperation Administration shall*
- 6 *seek to obtain the retention in Germany of such plants on*
- 7 *this list as would best serve European recovery if left in*
- 8 *Germany*".

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McKellar to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 1 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high-intensity lighting on CAA designated instrument-landing runways;

S. 1285. An act to authorize progressive partial payments to sponsors under the Federal Airport Act program;

S. 1459. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

S. 1505. An act to amend the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947;

S. 1577. An act to revive and reenact, as amended, the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; and

S. 2030. An act to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and ninety-six postmasters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOEY:

S. 2366. A bill for the relief of Edgar B. Grier; to the Committee on the Judiciary.

By Mr. FLANDERS (for himself, Mr. CAIN, and Mr. HENDRICKSON):

S. 2367. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BREWSTER:

S. 2368. A bill for the relief of Elmer Stern and Elizabeth W. Stern; to the Committee on the Judiciary.

(Mr. MUNDT introduced Senate bill 2369, to require persons who obtain commissions for rendering assistance in the obtaining of Government contracts to register with the Congress, and to establish in the General Services Administration an Office of Contract Information, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

S. 2370. A bill permitting suit to be brought on the claim of Edward B. Massie against the United States; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. 2371. A bill to provide for the disclosure of certain activities by Government contractors in the procurement of Government contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. MCMAHON:

S. 2372. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

By Mr. JOHNSTON of South Carolina:

S. 2373. A bill to credit for the purpose of determining eligibility for promotion all service performed by employees of the postal service who are transferred from one position to another within the service; to the Committee on Post Office and Civil Service.

By Mr. CHAVEZ (by request):

S. 2374. A bill to amend the Philippine Rehabilitation Act of 1946; to the Committee on Public Works.

By Mr. CONNALLY:

S. 2375. A bill to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes; to the Committee on Foreign Relations.

REGISTRATION OF MANUFACTURING REPRESENTATIVES

Mr. MUNDT. Mr. President, the disclosures in the investigations in connection with the so-called 5 percenters has revealed many of the complications and confusions small-business men confront in securing Government contracts. I introduce for appropriate reference a bill which would require the registration of manufacturing representatives, and to set up an Office of Contract Information in the General Services Administration.

The bill (S. 2369) to require persons who obtain commissions for rendering assistance in the obtaining of Government contracts to register with the Congress, and to establish in the General Services Administration an Office of Contract Information, introduced by Mr. MUNDT, was read twice by its title, and referred to the Committee on the Judiciary.

HEARINGS BEFORE COMMITTEE ON ARMED SERVICES—ADDITIONAL EXPENDITURES

Mr. TYDINGS submitted the following resolution (S. Res. 149), which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. THOMAS of Oklahoma submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3838) making appropriations for the Interior Department for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 6, in line 13, strike the figures "\$1,616,115" and insert "\$4,000,000"; in line 14, strike the figures "\$330,000" and insert "\$525,000"; in line 21, strike the figures "\$2,257,905" and insert "\$5,000,000"; and at the end of line 21, strike the period, insert a colon, and add the following: "Provided, That of the funds herein appropriated for the Southwestern Power Administration, the sum of \$2,383,885, in cash, and the sum of \$2,742,095, in contract authority, shall not be committed or in any way obligated until after:

"(1) January 1, 1950; and

"(2) Unless prior to said date the following-named utility companies: Public Service Co., of Oklahoma, an Oklahoma corporation; Arkansas-Missouri Power Co., an Arkansas corporation; Arkansas Power & Light Co., an

Arkansas corporation; Louisiana Power & Light Co., a Florida corporation; the Empire District Electric Co., a Kansas corporation; Oklahoma Gas & Electric Co., an Oklahoma corporation; Southwestern Gas & Electric Co., a Delaware corporation; Missouri Public Service Corp., a Delaware corporation; Missouri Utilities Co., a Missouri corporation; Gulf States Utilities Co., a Texas corporation; now operating in the States of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma, each refuse and fail to execute a contract with the United States of America, represented by the Southwestern Power Administration, an agency of the Department of the Interior; such contract to provide, in substance, as follows: Said contracts to be duplicates of the contract heretofore entered into by the United States of America and the Texas Power & Light Co., for the sale, purchase, and transmission of power and electric energy, save such exceptions as are set out in (a) and (b) and as follows:

"(a) Said contracts to be subject only to such changes in dates, contracting parties, and such additional modifications as may be mutually agreed to by the said parties thereto; and

"(b) The rates for the sale and purchase of power and electric energy by the respective parties to be specified and set out in such contracts shall not be higher for similar services than the rates set out in the said Texas Power & Light contract hereinabove mentioned: *Provided further*, That the said rates so specified and set out in such contracts shall be approved by the Federal Power Commission: *And provided further*, That when the said contracts between the United States of America and the said utility companies mentioned herein are executed and delivered as provided here, no transmission line or lines, transforming and switching facility or facilities shall be constructed by the Government in the area allocated to the said Southwestern Power Administration save with special funds appropriated by the Congress for such line or lines and the necessary related facility or facilities."

Mr. THOMAS of Oklahoma also submitted an amendment intended to be proposed by him to House bill 3838, making appropriations for the Interior Department for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS TO FOREIGN AID APPROPRIATION BILL

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: Page 4, line 2, after the word "which", insert the following: "(1) 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing."

Mr. McCLELLAN also submitted an amendment to be proposed by him to the

bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of the amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: Page 7, line 14, after the word "which", insert the following: "(1) 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall not be available for any other financing, and (2).

Mr. McCLELLAN also submitted an amendment intended to be proposed by him to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of the amendment referred to, see the foregoing notice.)

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT RELATING TO INCOME-TAX TREATMENT OF COOPERATIVES

Mr. WILLIAMS. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, and I request that it be printed and lie on the table.

The amendment proposes to correct certain inequities in our present tax laws as related to cooperative corporations. The additional amount of revenue which the Treasury Department will derive from the amendment will offset the loss to the Treasury by the repeal of the wartime excise taxes as proposed in the amendment to the same bill submitted by the Senator from Colorado [Mr. JOHNSON]. All Senators recognize the wartime excise taxes cannot be repealed unless the Treasury derives additional revenue from some source to make up the deficit. It is my proposal that we can by taxing those who are now paying no taxes pass this saving on to the current American taxpayers by repealing some of the wartime excise taxes.

I ask unanimous consent that the amendment, together with an explanatory statement, be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment and explanatory statement will be printed in the RECORD.

The amendment submitted by Mr. WILLIAMS is as follows:

SEC. — Income tax treatment of cooperative corporations.

(a) Repeal of exemption of cooperatives from income tax on corporations: Section 101 (12) and (13) of the Internal Revenue Code are repealed.

(b) Imposition of income tax and computation of income—

(1) Technical amendment: Section 4 of the Internal Revenue Code is amended by inserting at the end thereof a new subsection reading as follows:

"(m) Cooperative corporations—Supplement V."

(2) Taxation of cooperatives: Chapter 1 of the Internal Revenue Code is amended by inserting after section 421 a new supplement reading as follows:

"SUPPLEMENT V—COOPERATIVE CORPORATIONS

"SEC. 431. Tax of cooperative corporations.

"(a) In general—

"(1) Cooperative corporation: For the purposes of this chapter the term 'cooperative corporation' means a corporation (A) that calls itself a 'cooperative' or 'co-op,' or (B) that represents to any persons or classes of persons which deal with it that their patronage will or may entitle them (i) to the payment, either actually or constructively, of patronage dividends, or (ii) to an equity interest in any of the corporation's assets, or (C) that is otherwise operated for the mutual benefit of persons or classes of persons that deal with it; but such term does not include a mutual insurance company or any corporation exempt under section 101.

"(2) Net income: In computing the net income of a cooperative corporation there shall be excluded patronage dividends paid or payable to patrons, but only if—

"(A) The activities of such corporation during the whole of the taxable year did not extend beyond (i) marketing commodities acquired solely from members, and transactions ordinarily and necessarily incident to such marketing, or (ii) selling goods or commodities to, or performing services for, members, and transactions ordinarily and necessarily incident to such sales or services;

"(B) The patronage dividends are paid in money exclusively not later than 60 days after the close of the taxable year, and there are no conditions either precedent or subsequent as to the application or use of such money by the members;

"(C) Such patronage dividends are derived exclusively from marketing commodities acquired from members, or the sale of goods or commodities to, or performance of services for, members, or from transactions ordinarily and necessarily incident to such marketing, sales, or services; and

"(D) Such patronage dividends are paid to each member solely on the basis of the amount of commodities acquired from such member or the amount of goods or commodities sold to, or services performed for, such member, as the case may be; and are not denied to any member because of the limited extent of his transactions, or conditioned upon his retaining or presenting evidences of his transactions.

"(3) Gross receipts: The gross receipts from the sales of goods or services used in computing the gross income of a cooperative corporation shall be determined without the exclusion or subtraction of any patronage dividends, paid or payable to patrons.

"(4) Cost of products bought from producers: In determining the cost to a cooperative corporation of products sold to it by a producer for resale (whether or not in their original form), only amounts other than patronage dividends, paid or payable to such producer on account of such sales, shall be used in computing such cost unless under regulations prescribed by the Commissioner with the approval of the Secretary, the corporation establishes that the application of this paragraph would more clearly reflect income, in which case the prevailing market price on sales of such products by producers, or the amounts, including patronage dividends, paid or payable in money on account of such sales, whichever is the lesser, shall be used in determining the cost to the cor-

poration of such products so sold to it for resale.

"(5) Patronage dividend: For the purposes of this chapter the term 'patronage dividend' means an allocation or a distribution paid or payable (whether or not in money and whether described as a refund, rebate, price adjustment, or payment of a balance due under a marketing agreement) to member patrons or to member and nonmember patrons on some basis related to their sales to or purchases from the corporation during the taxable year, if (A) the allocation or distribution is conditional (i) upon profits or margins being earned by the corporation from all its operations or a class of its operations during its fiscal year, or (ii) upon income attributable to the resale of the producer's product along with products or a class or classes of products of some other producers less any deductions determination of which is within the discretion of the corporation, or (B) the amount of the allocation or distribution can be determined only with reference to the amount of the profits, margins, or income earned, or (C) the amount of the allocation or distribution can be determined only after declaration or payment of dividends on any class of stock of the corporation or only after the fixing of sums to be transferred to capital, reserves, or surplus.

"(6) Member of cooperative corporation: For the purposes of this chapter, a person shall be considered a member of a cooperative corporation only if such person is entitled to exercise voting rights and meets such requirements for membership as are prescribed by the cooperative."

(c) Information returns required of cooperatives: The Internal Revenue Code is amended by inserting between sections 148 and 149 a new section as follows:

"SEC. 143A. Information by cooperatives.

"(a) Payments of patronage dividends, refunds, or rebates: Every association organized and operated as a cooperative shall, when required by the Commissioner, render a correct return, duly verified under oath, of its payments of patronage dividends, rebates, or refunds, stating the name and address of each member in the association, and the amount of payments paid to each member and patron.

"(b) Accumulated earnings and profits: When requested by the Commissioner, every association organized and operated as a cooperative shall forward to him a correct statement of accumulated earnings and profits, including patronage dividends, rebates, or refunds allocated to, but not paid in cash to, members and patrons, and the names and addresses of members and patrons who would be entitled to the same if divided or distributed, and the amounts that would be payable to each."

(d) Taxable years to which applicable: The amendments and repeals made by this section shall be applicable only with respect to taxable years beginning after December 31, 1948.

The explanatory statement presented by Mr. WILLIAMS is as follows:

EXPLANATION BY SENATOR WILLIAMS OF PROPOSED AMENDMENT TO H. R. 3905 RELATING TO INCOME-TAX TREATMENT OF COOPERATIVES

I. IN GENERAL

Section 101 (12) of the Internal Revenue Code exempts from the income tax on corporations, farmers' fruit growers, or like associations organized and operated on a cooperative basis for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of the sales, less necessary expenses, or for the purpose of purchasing supplies and equipment for the use of members or other persons at cost plus necessary expenses. The exemption is not denied to such an association because it (1) issues capital stock, provided the

Representatives to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, which were to strike out all after the enacting clause and insert:

That the Institute of Inter-American Affairs, created by Public Law 369, Eightieth Congress, shall have—

(a) Succession until June 30, 1955; and

(b) Authority, within the limits of funds appropriated or specific contract authorizations hereafter granted to it, to make contracts for periods not to exceed 5 years and not to extend beyond June 30, 1955, in any case.

Sec. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed \$40,000,000, as may from time to time be necessary to carry on the activities of the Institute during the period ending June 30, 1955, and the appropriations hereby authorized shall be in addition to appropriations pursuant to authorizations granted in Public Law 369, Eightieth Congress.

And to amend the title so as to read: "An act extending the Institute of Inter-American Affairs."

Mr. CONNALLY. I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. McMAHON, Mr. GREEN, Mr. FULBRIGHT, Mr. WILEY, and Mr. LODGE conferees on the part of the Senate.

PROSPECTIVE CALL OF THE CALENDAR

Mr. WHERRY. Mr. President, a number of Senators are inquiring whether or not the majority leader intends to have the calendar called any time this week. I wonder if the distinguished majority leader can give us any information on that subject?

Mr. LUCAS. Mr. President, I hope we can reach a call of the calendar some time this week—possibly following the disposition of the pending measure.

MESSAGE OF GOVERNOR STAINBACK OF HAWAII TO THE LEGISLATURE OF THE TERRITORY OF HAWAII

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the message of Hon. Ingram M. Stainback, Governor of Hawaii, to the Twenty-fifth Legislature, Territory of Hawaii, Special Session, 1949.

The VICE PRESIDENT. Is there objection?

There being no objection, the message was ordered to be printed in the RECORD, as follows:

Mr. President, Mr. Speaker, and members of the twenty-fifth legislature, I regret that it is necessary to convene you so soon after your recent adjournment. Only the most urgent necessity has induced this call. Apparently only this legislature can bring an end to the present progressive paralysis of our economy.

Hawaii as you well know, is absolutely dependent upon shipping. Our very economic life depends upon keeping trade moving regularly without disruption because of disagreements between management and labor.

On this 87th day of the stevedoring strike, the attitude of the parties is such that no

early solution can be seen other than through new legislation.

This dock strike is unique in Hawaii, and in America. No other labor dispute, here or on the Mainland, can take place in which the actions of so few are so disastrous to so many.

Except for food, medicines, and other highly critical supplies, no ocean-borne commerce has entered the Territory during this period. There have been no exports whatever of sugar, pineapples, and other commodities. We are now in the height of the harvesting season for both sugar and pineapples. Some 300,000 tons, one-third of Hawaii's sugar crop, are now stored in warehouses, and plantations will soon be compelled to shut down harvesting because of lack of space to store sugar.

When the people on the Mainland fail to get our products, they don't go without. Mainland people are getting plenty of sugar while ours has been piling up in local warehouses. Sugar has been moving to the Pacific Coast from Cuba and Puerto Rico for the first time in history. Mainland people are also getting plenty of canned fruit. They are getting pineapples from Mexico and Cuba, and when they can't get canned pineapples they eat other canned fruit.

Further, many of the plantations have practically exhausted their credit, as have many small businesses of the Territory, and unless relief comes soon, many of our enterprises will be forced out of business.

This prolonged strike has wrought incalculable damage to the whole economy of the Territory. Wages have been cut, employees dismissed, businesses closed or threatened with closing, unemployment is growing, and today it is estimated that some 12 percent of the total labor force in the Territory is unemployed.

One of the best plans that we have counted on for the expansion of our economy, for the creation of more and better jobs in the Territory, has been the proposed development of the tourist business. However, this strike has already created an impression on the Mainland that Hawaii is a bad place to which to come, a difficult place to get out of, and a place of turmoil, disorder, and violence. We will have to work years to correct this impression.

The stevedoring strike commenced at midnight, April 30, just as you were adjourning the twenty-fifth session of the legislature. The sole issue is whether wages should be increased under an existing contract which expires next March but has a wage reopening provision. Long before the strike, representatives of the employers and employees had been negotiating to settle their differences, and a representative of the United States Mediation and Conciliation Service had been in Honolulu for some time to assist them in their efforts.

Shortly after the strike commenced, when negotiations appeared to be lagging, I had separate talks with representatives of both parties and convinced them that in the public interest they should resume collective bargaining. At intervals throughout the strike, attempts have been made repeatedly by the Commissioners of the United States Mediation and Conciliation Service and by myself personally to induce the parties to agree upon some fair basis of settlement and to encourage further efforts at collective bargaining.

Immediately upon outbreak of the strike, I had conferences with the Commander of the Pacific Fleet to obtain the assistance of Government vessels for essential foods and vital necessities. I was promised, and we have been given, the utmost cooperation by the naval and military authorities. However, only surplus space on Government vessels has been allotted for such shipment

of necessities, and there is no assurance as to how long and to what extent such surplus cargo space will continue.

On May 25, when it was apparent that the strike might be prolonged so as to cause shortages in food and other vital necessities, I appointed an Emergency Food Committee for the purpose of assuring a continued supply of food, medicines, and other critical commodities. This committee has acted promptly and efficiently. Up to the present time 10 relief ships have arrived and have been unloaded. However, I must point out to you that such shipments meet only a small percentage of the normal needs of the Territory and do not permit the movement of any products from the Territory. Further there is no legislative enactment which gives this committee legal status.

On June 15, after I had been advised by the Commissioners of the United States Mediation and Conciliation Service and was convinced by my own experience that all reasonable efforts for mediation had been tried and failed, I exercised the only statutory power that I had by appointing an emergency board of 5 disinterested persons to investigate the controversy and to make a report thereon, together with their recommendations. In an effort to assure that the board's recommendations would be acceptable to the parties and also to assure that the board would be composed of fair and disinterested persons, I appointed 5 able men, each of whom had been, in prior proceedings, named as an acceptable arbitrator to management and labor in settlements of disputes arising out of contracts between the very union to which these employees belong and business interests in the Territory.

This board devoted considerable time to the taking of testimony, considering the same, and filing its report and recommendations. It recommended that the stevedores go back to work upon being given a raise of 14 cents per hour. The employers, after protesting that the raise was not warranted, agreed to accept the recommendation, but the employees rejected the same, and matters have been at a standstill since, the employees insisting upon 32 cents an hour or arbitration of the wage dispute, and the employers insisting that the question can only be solved by collective bargaining.

The Executive branch of your government has exhausted every possible avenue to secure settlement of this dispute. Our National Government has told us, both through the executive and legislative branches, that this is a local matter for us to settle here. The problem then is squarely up to this legislature to enact the laws that will permit the Territorial Government to end this strike and to protect the people of Hawaii against a repetition.

At the last session of the legislature, in my message, I told you that I considered it desirable to strengthen the public utility labor acts to give greater protection to the public, that our law providing for mediation and fact-finding procedure had not been wholly successful. I also called attention to the fact that in a number of States, strikes in public utilities whose operation is necessary to health and safety, are absolutely forbidden.

I recommended that we take steps whereby we could prevent strikes that endangered the health and safety of the Territory. I wish to repeat that recommendation, and urge that a strengthened public utility labor act be extended to cover stevedoring companies.

While serious questions of labor and management are involved in this dispute, the greater question is the protection of the public as a whole from the hardships that exist when the lifeline of the Territory is cut, as it has been these last three months.

Legislation in itself has never created good labor-management relations. While injunctions and cooling-off periods may delay strikes, they do not necessarily prevent them. Some of you have discussed with me a number of bills, many of which may be helpful and desirable. But we should take no chance on the effectiveness of new laws to be enacted to solve our problems. We must insure continued operation of shipping. We cannot do that unless the Government itself takes over the stevedoring operations with its own employees or is empowered to do so whenever the necessity arises.

In recommending to you Government operation of our docks, most of which are already owned by the Territory, and of all stevedoring activities, I am not unmindful of the questions that arise in considering expanding of governmental activities. For those who see in Government operation of our piers and longshore activity a threat to private enterprise, I submit that there is a far greater threat to private enterprise in this Territory if these operations are not immediately resumed and kept functioning. On the other hand, for those who would challenge Government operation as a method of union busting, I point out that the welfare of half a million people of Hawaii is more important than the interests of a relatively small group of workers, and, further, that if the economic life of the Territory is destroyed, the position of the workman, union or non-union, will be poor indeed. Employer and employee are members of one body. If labor is the hands, and management the head of Hawaii's economic life, ocean-going transportation is the jugular vein. If that is cut, both hands and head are sure to perish.

Stevedoring operations in island communities 2,000 miles away from the nearest mainland port are a public utility in every sense of the word. The free and uninterrupted flow of commerce to and from the mainland and world ports is vital to the people of Hawaii. Public ownership or public operation is not new in American democracy. The welfare of the people of Hawaii demands that their government now take steps not only to end this strangulation of our economy, but to protect them from future threats of continued labor-management difficulties in our dock operations.

If you should not be willing to take this step and provide for public operation of stevedoring in Hawaii, which I believe to be the soundest solution to this problem, at a minimum you should provide for a specific and definite means for ending this strike forthwith and preventing future ones. In this connection, I again call your attention to the action of some 15 States that prohibit strikes in certain public utilities essential to the health and safety of the community.

The threat has been made by certain labor leaders, both in the press and by cable to me, that if this Territory has the audacity to operate stevedoring on its own docks and with its own labor, this Territory will be blockaded by a refusal to unload such cargo on the coast. I am authoritatively advised that any such attempt will be a direct violation of the Federal Labor Relations Act, and we have every right to expect, and I am confident we will secure, the full support of the Federal Government to prevent this violation of its laws and attempted economic strangulation of this Territory.

Doubtless you have been and will be under intense political and group pressure. You will not be able to please all. It is very likely that any bills you may pass will probably contain certain features distasteful to both parties to this dispute. I am confident that you will let neither pressure of, nor vindictiveness against, any group influence your action, but that you will be guided solely by the interests of the public as a whole.

In conclusion, I wish to give you assurance of my wholehearted cooperation and that of the executive departments of the Territorial government, I wish to remind you that we will always welcome consultation with you, and hope that you may have a speedy and successful termination of your labors.

INGRAM M. STAINBACK,
Governor of Hawaii.

JULY 26, 1949.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. McKELLAR. Mr. President, I feel that at this time I should make a statement to the Senate concerning the ECA bill. I do not know whether I am given to too much talking or not. I do not believe I am. I am not going to talk a great while about it, but I wish to explain the bill in a general way.

The bill has been before the Senate committee for several months. I do not suppose that any bill in the history of the Senate has ever had more attention than this bill has had from the Appropriations Committee of the Senate. I hold in my hand the printed hearings, consisting of more than 1,000 pages of testimony. The committee went into the subject in the minutest detail, and heard all witnesses who wanted to be heard. The committee reported the bill to the Senate, and it was debated for several days. It was recommended to the committee because there was legislation in the bill. My friend from Texas [Mr. CONNALLY] says there still is.

Mr. CONNALLY. Mr. President, that remark was off the record.

Mr. McKELLAR. I know it was, but I shall put it on the record. I think that is the proper place for it.

The bill as it came from the House was about nine-tenths legislation and about one-tenth appropriations. It contained all kinds of legislation exempting the ECA from the many laws which the Congress has heretofore enacted governing the careful administration of financial matters in the departments. It virtually turned this immense sum of money over to the ECA Administration to dispose of as it saw fit.

The Senate committee did add some legislation to the bill. Before I come to that particular legislation, I wish to say first that as we all recall, the Senate agreed to certain amendments. We agreed to the amendment known as the McClellan amendment. We agreed to the "watchdog committee" amendment. Let me say a word about that. That was a very proper amendment. That committee has done fine work, and I believe everyone will agree that that amendment should have gone into the bill.

In the next place, the Senate restored to the Administrator \$74,000,000 which had been eliminated by the committee. I was opposed to that amendment, but, of course, I accepted it when the Senate passed upon it.

That much was accomplished by the Senate. The next thing the Senate did, and the most important thing of all, I believe, was that it accepted the gross

amount of the appropriation which had been fixed by the committee. That amount was \$3,628,380,000. I was very happy that the Senate accepted that amount. I wish to say to the Senate in all frankness that that amount was not the amount which I originally favored. I favored a cut in this appropriation of about \$800,000,000. I thought it would be wise. I thought it would be in the interest of the taxpayers, who include everyone. The laboring man and the farmer pay taxes, just as the rich man pays taxes. We all pay taxes.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. If the Senator will be good enough to wait a little while, I shall undertake to answer any questions which Senators may wish to ask. Let me make this statement of the history of what was done.

Those three things were the outstanding things which had been done when the bill went back to the committee. The committee had to consider it anew, and it did consider it anew, and reported the bill. The committee reported those things to which the Senate had agreed, just as the Senate had agreed to them; and at the proper time I shall ask unanimous consent that the amendments upon which we have already acted be accepted as the amendments of the Senate. I do not see how any Senator could possibly object. For example, the \$74,000,000 restoration did not meet with my approval, but it met with the approval of the Senate, and I am perfectly willing that it should go in the bill. I think it ought to go in the bill, because the Senate has passed upon the question.

The same is true of the amount which was appropriated. It did not meet with my entire approval, but that was all right. The Senate passed upon it, and it ought to be done.

Let us consider another step the committee took. Three other items which were stricken out as a result of points of order on the ground that they contained legislation are reported in the bill as it is now before the Senate, and I wish to call attention to them. The first of those items is the amendment with respect to the purchase of surplus agricultural products by the Economic Cooperation Administration and the Department of the Army. That is commonly known as the McClellan amendment. As all of us know, it was very actively supported and strongly opposed. I think that amendment should be adopted.

Here we are about to give to the participating countries enormous sums of money. Let me at this point quote Prime Minister Attlee of Great Britain, in this connection. The other day he made a speech in answer to Mr. Churchill; and in the course of his speech he said, with a great deal of pride, it seemed to me:

We did give aid to other countries—

He meant since the war, just as we have been doing—to the tune of 900,000,000 pounds.

Mr. President, that is \$3,600,000,000. During that time we have given to Great

Britain approximately \$5,000,000,000, in round numbers. Mr. Attlee says that during the same time Britain has given to other nations \$3,600,000,000. Of course, I do not know whether she received bonds or notes, in exchange, from the other countries or whether she was giving them that money just as we are doing, giving it to them for nothing. At any rate, while Britain was giving \$3,600,000,000 to other countries, she was receiving as gifts from the United States approximately \$5,000,000,000-plus.

I think I should state here that it was reported by Mr. Hoffman that Britain has balanced her budget or has substantially done so. Of course our budget is not balanced. At the present time, with our budget unbalanced, with our public debt totaling the enormous sum of \$252,000,000,000, if our farmers have on hand surplus agricultural products which they cannot sell, and when our Government is called upon, as it is, to give these enormous sums of money to foreign countries under these conditions, is it not reasonable, fair, and just for us to include in this bill a provision that where agricultural products, of which American farmers have a surplus, are required by the beneficiary countries a portion of our gifts to them shall be expended for such agricultural surpluses? Is there anything unfair about that? Is there anything unjustified about that?

Mr. President, I think the McClellan amendment is a proper amendment. I voted for it in the committee, and I expect to vote for it in the Senate. I shall do so with but one desire in the world, and that is to do the right thing. As I regard our situation, we are trustees for the people. I have always regarded the office of Senator as such; and when I was in the House of Representatives, I regarded the office of Member of the House of Representatives as primarily a trusteeship for those who elected the Member of that body, and generally for all the people of the United States, as we deal with legislation. I feel that we are trustees.

I believe it to be our duty, in managing our country's foreign affairs, to be fair and just to other nations, but at the same time to be fair and just to our own people. Our farmers pay taxes to the Federal Government, although indirectly in many cases, of course. Our laboring people to the same. All our people pay taxes to the Federal Government. Therefore, we should consider all our people in passing upon legislation. We are sent here to legislate for all the people of the United States, for the entire United States. So it seems to me that, in all good conscience, although we should be helpful to foreign nations and should be kind and considerate to them, and I wish to do so, yet at the same time we should be fair and just to our own people. That is exactly what the McClellan amendment will do.

Mr. President, I was tremendously interested while sitting here yesterday during the session which lasted for 6 or 7 hours to hear learned discussions in regard to adding a few more employees, where they are needed, or in regard to raising the salaries of some Government clerks, where that is needed. In those

cases the amounts involved were comparatively nothing from a governmental standpoint. Yet today, with an already existing public debt of \$252,000,000,000, it is proposed to make these lavish appropriations of billions of dollars for foreign aid without limit, without any laws governing the expenditure of these vast sums. Mr. President, why are we doing it? I am wondering why. It is incomprehensible to me that we should make these gifts without limitation. Of course, I am perfectly confident that there is not a Member of the Senate who believes these gifts will ever be returned to us in any manner, shape, or form. They are gifts. The committee does provide in this measure, I believe, that \$150,000,000 is to be loaned, but I am not sure whether that amendment will be adopted. But most of this money, as we all know, represents gifts. Under those circumstances the committee inquired into the matter and went into every detail of it. Most elaborate proof was heard on the subject. The committee concluded that at the same time we were making these gifts we ought to be fair and just to our own people and look after their interests as well. That is all I can say about that feature of the case.

What is the next amendment? It has been said we brought back the same amendment. In substance it is the same amendment. But what did the committee do? I am not speaking as a parliamentarian; I do not claim to be an expert parliamentarian; I am merely one of 96 Senators, but I am talking to parliamentarians. We were very careful to call in the distinguished and splendid Parliamentarian of the Senate. I pause to say I do not believe any legislative body ever had a better parliamentarian than Charlie Watkins. We called in our legislative counsel and we went over with them the three amendments we have reported back about which Senators hear so much said to the effect that they are the same as those in the bill as originally reported. We again reported the amendment to which I have just referred, known as the McClellan amendment, and we reported two others.

The next is the amendment relative to granting assistance to Spain. Perhaps it is unnecessary, but I should like to tell my fellow members that I am not interested in the religious question. I am what is called, in my section of the country an old-school Presbyterian. I do not know that any member of my family was ever a member of the Catholic Church, but I have the greatest veneration, admiration, and esteem for that church. The members of that church are as fine people as there are in the world, and catholicism is the religion of Spain. I do not hold that against Spain. But it is said Spain has a government which is not democratic. There are many other governments which are not democratic which are using our money. Why should we single out Spain? Under the advice of Mr. Watkins and our legal counsel we made a limitation as to Spain. Senators can vote it up or vote it down. My interest in it is the interest of America.

I have never been in a foreign business of any kind, but I asked some of the business men at Memphis who had

dealings with Spain, who had sold to Spain products like tobacco and cotton, and they said Spain had paid for them in every instance, that her credit was good, that the Spaniards paid their debts. Under those circumstances, and particularly since Spain is behind the Pyrenees, so to speak, so far as we are concerned, she might be very helpful to us at some time if we got into trouble—the committee reported the amendment. I am not at all interested in the amendment except as a citizen of this Republic and as a man who wants to be fair and just to all nations. Spain, undemocratic as she is, is no more undemocratic than certain other nations with whom we deal every day. So, speaking for the majority of the committee, I express the hope that the amendment will be adopted. I am told it is in order. I have heard it is to be made the subject of parliamentary action upon the ground that it is legislation on an appropriation bill and should be stricken from the bill, but I hope it will not be. As I say, I am not an expert on such matters, but I merely feel that the limitations provided in the two amendments I have mentioned should be in the bill.

The third amendment we put back—and there are only three—would prevent the use by a participating country of local counterpart funds in cases where the country has failed to comply with the treaties of the United States. Why is not that a perfectly fair limitation? Let us consider it for a moment. Ever since I have been in the Senate—and that has been several years—we have fought for freedom of trade. We have fought against what are known as bilateral agreements between nations which would injure the trade of the United States. And yet such agreements are being made to the injury of our own people. Why in the name of heaven should an American legislature vote in favor of bilateral agreements and against the position we have maintained for generations? I am not sure, and I would have to verify this, but I think there was in the platform of both parties a plank favoring multilateral trade agreements and not bilateral trade agreements. I believe our Parliamentarian was right, I believe our legislative counsel was right, and I believe our committee was right in holding that these provisions were limitations on the appropriation and should be adopted. Mind you, Mr. President, there are only three of them. There have been some improvements in the language, but the only three amendments of any consequence are the three I have mentioned. Ordinarily those three amendments would be adopted by the Senate by unanimous consent. If it were not that this particular bill has gotten into a situation where strange things are being done, those three amendments ordinarily would be adopted without a word by the Senate.

I come to the next proposition: The committee has inserted a provision authorizing the Administrator of ECA—not taking anything out of his hands at all, but merely authorizing him—to borrow \$150,000,000 from the Treasury to use as loans under the program. By the way, that is legislation, and that must

receive a two-thirds majority. That will be offered on the floor of the Senate. It is not in the bill, and it will be necessary to obtain a two-thirds majority for it.

Then comes the amendment directing the use of counterpart funds for the purpose of giving publicity, through the press, radio, and all other available means, to the assistance being furnished by the American taxpayer. Ought that not to be done? It seems so to me.

Then there is the provision relating to what is known as GARIOA, under which we control the use of funds, as in Germany, Austria, and in other countries. Certainly it seems to me that amendment ought to be adopted, and I hope it will receive the necessary two-thirds majority.

The next amendment is the one authorizing employees of civilian agencies of the Government in Germany to use Army facilities for the purchase of subsistence supplies without the necessity of paying a 10-percent additional charge. Is not that fair to our own employees? That is another amendment that would be adopted by unanimous consent immediately, but for the insistence that every dime recommended by the Bureau of the Budget must be appropriated, that there can be no reduction at all, either as made by the House or as made by the Senate. Otherwise, that amendment would be adopted.

The next amendment is with respect to the production of nitrogenous fertilizer materials in Army plants. Is there any objection to that? I hope it will receive the vote of every Senator.

The committee also considered an amendment authorizing the use of \$4,000,000 out of any unobligated balance made available under the China Aid Act, as amended, for necessary expenses of tuition, subsistence, and return passage to China of Chinese students. That amendment was offered by the Senator from California [Mr. KNOWLAND], and the committee directed that it be submitted to the Senate. Of course it is legislation, admittedly so. These six items which the committee has authorized will have to receive a two-thirds vote in order to be adopted.

The ECA submitted certain changes. As I have already stated, approximately nine-tenths of the bill is devoted to legislation.

Mr. President, I have overlooked a matter about which I should say a word or two. The Senate appropriated, in the first bill, for a period of 12 months. The House had appropriated for a period of 10½ months. That creates some difference in the figures, but I have given the Senate an outline of approximately what they amount to. We reduced the amount appropriated in this bill in a very small way. The reduction is approximately 3 percent, after we made allowance for a 10½-month appropriation and a 12-month appropriation. Indeed, when the committee agreed upon this bill I personally felt that the ECA had won a wonderful victory. It had turned down most of my suggestions. I assumed it would be delighted at a reduction of less than \$4,000,000 out of the total of \$6,322,000,000 requested. The

reduction is a little more than \$300,000,000. It seems to me to be such an infinitesimal cut that the ECA should accept it. Instead of that, what has happened? The most active lobby I ever heard of was started. For what reason? The ECA wants the last dime it requested. It asked for \$6,322,000,000, and it wants the entire amount. It seemed to me a very small matter, relatively speaking—a matter of approximately \$300,000,000. It will probably be reduced by the House. We all know that we must give and take; but I should think the ECA would be delighted to accept the bill as the committee has reported it.

There is one other thing to which I must refer, and that is the comment which has been made in the newspapers concerning our striking out the legislation inserted by the House. The Senate struck out, under its rules, all the legislation inserted by the Senate. It seemed to me and to the committee that it was wise to strike out the House legislation and let the entire bill go to conference and be worked out there. There is some of the House legislation which should, I think, remain, and some which should not remain. There is some of the Senate legislation which should remain, and some that should not remain. The conference can work it out. That would be the natural, ordinary, everyday thing to do.

The next question is, Did the committee act correctly in striking out that legislation? I think it did. The conference can work out a bill which the Senate can approve. I believe in my own heart that every member of the Appropriations Committee simply wanted to do what was proper in preparing this bill. We may have made mistakes. What person does not make mistakes? The Senate has corrected those mistakes, and I shall not take any more time of the Senate to discuss that matter. The amendments can be discussed when they come up for consideration. If the Senate agrees with me that they should go to conference, I think we shall have a bill which will be satisfactory even to the ECA, in my judgment. With the very small cuts which the House and Senate have made, it should be acceptable.

I am thinking of the interest of our own people in connection with this enormous appropriation. I am not discussing the subject of undue economy. I believe in just economy, and I ordinarily vote that way. When the Senator from Wyoming [Mr. O'MAHONEY] presented his bill, I voted for some increases, and I believe I was right when I so voted. I have no apology to make for it. I voted for increases in a number of appropriations. Some items in this bill are increased, in connection with the McClellan amendment, the McCarran amendment, and other amendments.

I want to say in behalf of the Appropriations Committee that I do not think any member of the committee is trying to boss anyone or trying to use influence to take away rights of other committees. There is a great deal of work connected with the Appropriations Committee. When I was a boy I used to think there could not be any greater happiness on

earth than spending money. I never had any to spend, but I saw other persons spending money, and it seemed to me to be a wonderful thing to spend money. Since I have been a member of the Committee on Appropriations, for many, many years, I have learned that spending money is rather a hard job when a man is conscientious about it, and as God is my judge, I try to be conscientious about it. I try with all my heart. For more than 38 years my Government has been the principal interest in my life. I am proud to be a representative of a great Government like ours. I want to keep it as it is, or make it greater and better, stronger than it ever was before. I do not want recklessly to give away the people's money. I do not want to see it given away without let or hindrance. I do not want to see it spent for the purpose of building up greater industries in other countries, which might take away the business of our own people. I do not believe that we have the moral right to do it.

It is not pleasant for me to differ with people, but I do differ with those who want to take a shovel and shovel out the money of the American taxpayer and give it to all the world, to educate all the world, to give the world beefsteaks, and chickens, and ducks, and everything else people might desire. I believe in being fair and just to other people, but I want to be fair and just to the constituents I represent, to the American people whom I represent in part. That is my only purpose in standing here today and fighting for a reduction in this enormous appropriation, in fighting for restrictions on the expenditure of these enormous sums.

We must look at this matter carefully. I have no interest in it except that I want to do what is best for the good of our Government and our people. It may be that if we had a Communist government or a Socialist government, such as that in Great Britain, it might be different. They have taken over various industries in that country, and we are helping them, giving them billions of dollars with which to do it. Is that against communism, or is it helping communism along?

It is not our business what sort of governments the other countries have. I want them to have progressive governments, but it is not our business to furnish the money to see to it that any certain government is kept in power. I hope Senators will think of that when they consider the enormous sum we are now asked to appropriate.

Having said this much, I ask unanimous consent, Mr. President, the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered, in the order in which they come in the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the

heading "Title I," on page 2, after line 1. to insert:

LEGISLATIVE BRANCH
SENATE

Contingent expenses of the Senate

Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, \$344,000: *Provided*, That this appropriation shall be available for the fiscal year 1950, for the purpose provided herein.

The amendment was agreed to.

The next amendment was, under the heading "Funds appropriated to the President—Economic Cooperation," on page 2, line 16, after the numerals "1949", to strike out "including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange."

Mr. HAYDEN. Mr. President, I desire to inquire about the amendment beginning with the word "including," on line 16 and going down to the words "loss by exchange."

Mr. McKELLAR. What page?

Mr. HAYDEN. On page 2 of the bill, where it is proposed to strike out House language. It seems to me that is just ordinary language. It does not amount to much, except that it is necessary in order that the Administration may be carried on. The language reads:

Including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange.

Mr. McKELLAR. Mr. President, that is a House provision. Now may I make a parliamentary inquiry?

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Could we let the amendments in which we strike out legislative provisions in the House text go over until after the remainder of the bill has been passed on?

The VICE PRESIDENT. The Chair would suggest to the Senator from Tennessee that if that request were agreed to, and Senate committee amendments striking out all legislative provisions of the House text should subsequently be agreed to, leaving no legislative provisions in the House text, any legislative provision in a Senate Committee amendment would fall by the same rule, and there would not be anything for a legislative amendment to be attached to.

Mr. McKELLAR. That may be true, and I withdraw the suggestion.

Mr. HAYDEN. I was about to suggest to the chairman of the committee that this amendment beginning in line 16, page 2, and running through line 25, merely provides for routine things which are customarily granted. The amount of money involved is \$6,000, including expenses of attendance at meetings, hire of motor vehicles, maintenance and operation and hire of aircraft, payment of damage claims pursuant to law, citing the law, rents in the District of Columbia, transportation of privately-owned automobiles, exchange of funds without regard to section 3651 of the Revised Statutes, and loss by exchange. Those are routine provisions which it seems to me we could well adopt. The next amendment, on the top of page 3, the Senate has already passed on, striking out the language, and it ought to go out.

Mr. HILL. Mr. President, in that connection, is it not true that in a sense the Senate agreed to this language on page 1 when it proceeded to strike out the rest and residue of the language on page 3? Certainly in a sense the Senate agreed to the language on page 2 when the bill was before the Senate on a previous occasion, in striking out a part of the same paragraph on page 3, from line 1 through line 8. That was stricken out before. That was all a part of the same paragraph. In striking out the language on page 3, in a sense we agreed to the language on page 2. Is not that true?

Mr. KNOWLAND. Mr. President, will the Senator from Tennessee permit me to ask him a question?

Mr. McKELLAR. I shall endeavor to answer the Senator's question.

Mr. KNOWLAND. I should like to ask the able chairman of the Committee on Appropriations, speaking as one of the members of the committee, whether upon further reflection and consideration it would not be advisable to leave the House language as it came to the Senate. I think there was considerable merit in what the committee did in bringing to the attention of the Senate the amount of legislative material in a bill of this kind, and Senators certainly can see that in view of the amendments which have been presented by the committee; but it seems to me it will be a more orderly procedure if we leave in the bill the language as it came from the House in regard to this legislation. Otherwise it is going to involve conference difficulties, and in the final analysis I think our judgment would be that the language here is perfectly proper. I think we served a good purpose in calling the matter to the attention of the Senate, but I should not like to see all this language stricken from the bill, because of the parliamentary situation in which we find ourselves involved.

Mr. McKELLAR. Mr. President, the Senator from California took that position in the committee, I recall, and supported it very strongly, as he always does his contentions. But the committee disagreed with him, and struck the language out. The committee not only disagreed in this instance, but in others.

Mr. LUCAS. Mr. President, can the Senator from Tennessee tell me the vote in the committee?

Mr. McKELLAR. I am advised by the clerk that by a show of hands the vote was 10 to 8.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I yield.

Mr. WHERRY. Is it or is it not the intention of the distinguished chairman of the committee that the Senate take up in order, each of these amendments, regardless of what has been done before with respect to the House language? These are amendments which can either be voted up or down. Is it or is it not the intention of the chairman to submit each of the amendments in order, as they appear in the bill, and then have the Senate either disapprove or approve of the House language?

Mr. McKELLAR. I made a suggestion that they all be considered after the other amendments had been agreed to, but the Chair said that was not the proper procedure.

Mr. WHERRY. My understanding is that because of the withdrawal of the chairman's request that these particular amendments be considered after the others had been disposed of, each amendment will now be considered as it is reached in order, and all the Senate will do, of course, will be to vote up or down, or accept or not accept, the House language? We are dealing with the second committee amendment on page 2; is that correct?

Mr. McKELLAR. Yes.

Mr. WHERRY. What is the chairman's motion?

Mr. McKELLAR. I make no motion at all. The question is on agreeing to the amendment, whether the House language shall be voted in or out.

Mr. HAYDEN. That was what I suggested. This is a minor provision which should be agreed to.

Mr. McKELLAR. Yes. It deals with expenses in the District of Columbia. If the Senate votes it down it will be entirely satisfactory to me.

The VICE PRESIDENT. The question is on the committee amendment on page 2, to strike out the language beginning with the word "including" in line 16, down to and including the word "exchange;" in line 25.

The amendment was rejected.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, on page 3, line 1, after the numerals "\$1,074,000,-000", to strike out the comma and "of which not to exceed \$125,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified."

Mr. HAYDEN. Mr. President, that language was stricken out by the Senate heretofore, and the committee amendment should be agreed to.

Mr. McKELLAR. Yes; the committee amendment was agreed to by the Senate when the bill was before it last week.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 3, on line 1, after the numerals, to strike out down to and including the word "specified," in line 8.

The amendment was agreed to.

The next amendment was, on page 3, line 16, after the numerals "1950", to strike out "including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange."

Mr. HAYDEN. I think that amendment is in a somewhat different situation, Mr. President. The language beginning in line 16, down to and including the word "exchange" in line 1 on page 4 is practically a repetition of what the Senate previously adopted. But the amount of money immediately following had also been agreed to by the Senate. I think we should agree to the whole matter. That will clear it up.

Mr. McKELLAR. \$3,628,380,000 is what the Senate agreed to before, and I hope the Senate will agree to it at this time.

The VICE PRESIDENT. That raises the question whether the language following the numerals in line 2, page 4, beginning with "(1) 90 percentum" is a part of the amendment which the Senator asks be agreed to, or whether it is a separate amendment.

Mr. McKELLAR. Mr. President, that is a separate amendment.

Mr. HAYDEN. Yes, that is a separate amendment; because when the bill was before the Senate previously the language in line 16 on page 3, beginning with the words "including expenses" and down to and including the word "exchange" in line 1, on page 4, were in the bill. The Senate then voted to strike out "\$3,568,470,000", and to insert "\$3,628,380,000".

I suggest that the Senate disagree to the committee amendment up to and including the word "exchange" in line 1, on page 4, and then agree to the committee amendment with respect to the money.

Mr. HILL. The Senator means to disagree to the committee amendment down to and including the word "exchange"?

Mr. HAYDEN. Yes. That will get us back to where we were.

Mr. McKELLAR. Yes, that will get us back to where we were previously.

The VICE PRESIDENT. So that the language on page 4, line 2, beginning with "(1) 90 per centum" is a separate amendment from that about which Senators

are now speaking and will stand on its own merits.

Mr. HAYDEN. Yes; entirely so.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 3, line 16, beginning with the words "including expenses", down to and including the word "exchange" on page 4, line 1.

The amendment was rejected.

The next amendment was, on page 4, line 1, after the word "exchange", to strike out "\$3,568,470,000" and insert "\$3,628,380,000."

Mr. HAYDEN. We now should agree to the committee amendment on page 4, line 1, to strike out "\$3,568,470,000" and insert "\$3,628,380,000."

The VICE PRESIDENT. The question is on the amendment on page 4, line 1, to strike out "\$3,568,470,000" and insert "\$3,628,380,000."

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "which", to insert "(1) 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing."

Mr. WHERRY. Mr. President, this is the so-called McClellan amendment, is it not?

Mr. McKELLAR. It is.

Mr. WHERRY. In view of the fact that this is one of the controversial features of the bill, I suggest the absence of a quorum, so we may have as many Senators as possible present to vote on the amendment.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Anderson	Holland	Morse
Baldwin	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Connor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kcm	Russell
Connally	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Dulles	Langer	Sparkman
Eaton	Lodge	Stennis
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarran	Thomas, Utah
Frear	McCarthy	Thye
Fulbright	McClellan	Tobey
George	McFarland	Tydings
Gillette	McGrath	Vandenberg
Graham	McKellar	Watkins
Green	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Withers
Hickenlooper	Maybank	Young
Hill	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Mr. President, I regret that it is necessary for me to proceed at this time, in view of the anticipation—I assume with reasonable certainty—that later a point of order will be made against the amendment we now are considering.

When the bill previously was before the Senate I had no advance information that a point of order would be made against the amendment. Therefore, I had not discussed it. I am quite certain that many Senators then, at least, did not know what this amendment proposes to do, except from what they might have gathered from newspaper reports and comments about it, most of which were in error. They misled the public and possibly some Members of this body regarding the merits of this amendment.

I hope a point of order will not be made against the amendment today, but I must anticipate that it will be, and if one is made, then I hope it will not be sustained. If it is sustained, then, with all due deference to the Presiding Officer, whoever he may be at the time, I hope the Senate in its wisdom will override the ruling of the Chair.

As I stated, a few days ago I never anticipated, I never once foresaw, that this simple effort to do something in the interest of the taxpayers of the Nation would provoke or bring about the situation and the parliamentary tangle which subsequently developed. At the time when the amendment was prepared, I thought I was simply limiting the expenditure of funds which were being appropriated in the bill. The amendment was intended then as a limitation. In my judgment it was a limitation then, and not legislation. In my judgment it is a limitation still, and not legislation. But if it is legislation on an appropriation bill, then its merits, its purpose, and its objective are still just as good and sound, and its enactment is still just as necessary for the protection of the American people and in their interest, as they are if it is simply a limitation.

Therefore, Mr. President, before we reach another parliamentary issue, I wish to discuss the amendment and in my humble way try to tell my colleagues what it proposes to do.

The adoption of this amendment requiring the ECA to purchase surplus agricultural commodities in the amount stated in the budget estimate, will not result in dumping American agricultural surpluses. The word "require" as I use it in the amendment, does not mean that any participating country, will be compelled to purchase anything. It simply means that if the participating countries are going to spend the money we give them for agricultural commodities—commodities which they told the ECA they needed and wanted, and would buy if they were given sufficient funds—then we simply say, "Buy American surplus agricultural commodities." They are not required to spend one dollar of it, but if they need what we have in surplus, we preclude them from taking the dollars and buying those commodities from any other country. What is wrong with that? They have free dollars. If they want to patronize other markets, we do not control the free dollars. They can spend their own money in any markets they choose. It merely requires that 90 percent of ECA funds estimated for expenditure for surplus commodities shall be spent for no other purposes. The 90 percent, of course, is a modifica-

tion. Instead of the full amount, as the amendment was originally written, the 90 percent modification is to make it conform to the total appropriation.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. THYE. Does the Senator think it would have any psychological effect on the European countries if this were to become a dumping program or a subsidy to agriculture in the United States, rather than a recovery program for foreign countries?

Mr. McCLELLAN. No; I do not think so. I do not think it could have the slightest effect of that kind. We are not telling them they must buy anything they say they do not want and do not need. How, I ask in all sincerity, could it have such an effect? This Government already owns the commodities which are in surplus. We have already taken American tax dollars and bought the surpluses, or loaned 90 percent of the parity value on them. For either purpose, whether we absolutely own all of them now or have a vested interest of 90 percent of parity price in them, the result is the same.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. THYE. I am greatly concerned with the surplus which may be accumulated in the United States in the course of the next year. As of today, the Senate Agricultural Committee has given study to that very question, but I am vitally concerned with the fact that this is a European recovery program. I voted for it as such a year ago. I am greatly gratified by the accomplishment of that program. But I do not want imposed in the legislation such a restriction as is suggested which would make possible the lodging of charges against the United States by those who would use it for the purpose of discrediting our European recovery program activities. I fear the psychological reaction upon the beneficiaries of the European recovery program would be bad, because our so-called enemies across the sea, if we may refer to them as enemies, would use it to the utmost to discredit us in every conceivable manner. It would be claimed we used the European recovery program for the purpose of bailing ourselves out of a distressed agricultural situation rather than as an outright friendly action upon the part of the people of the United States in an effort to bring about recovery among the nations of western Europe, in order that they might speedily overcome the devastation and waste which the war had brought to their towns as well as to their countryside. I am afraid we would do ourselves great damage by permitting the countries in Europe, such as Russia, if I may so speak, to charge that we are using the recovery program entirely for our own benefit rather than as an effort to stimulate European recovery.

Mr. McCLELLAN. I may say to the able Senator that such fear is wholly unfounded; it is unjustified. Russia is going to say every contemptible thing

she can possibly conceive and express anyway, as she is doing all the time. If we say to them simply, "You say you need and you want bread; here is grain; we will give you the dollar and you can purchase it, but you will purchase what we have in surplus, instead of buying it from some other country? What psychological effect could it have that would be detrimental to the United States? The European countries need grain. To the extent that we provide them with food while they are recovering, to that extent it is a relief program—I care not what anyone may name it. European countries cannot recover unless their people are sustained while the recovery process is under way.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. THYE. I am quite aware of the fact that charges of the kind I have referred to have been made against us. But I doubt whether the countries which are friendly to us would believe what we said if we spelled it out in the act that the participating countries must in the event they need corn, wheat, or any other grains, or commodities, take it off our hands, if we declare we have a pound or a bushel in surplus.

Mr. McCLELLAN. No, it does not require them to take anything except what we actually have in surplus. They can spend their money anywhere they want to. But we are giving them the money on one basis: It is simply charity, nothing else. It is help, it is relief, it is aid. It is aid to stimulate their recovery. It is aid to sustain life. It is aid to sustain them while they make a fight for recovery. It is a gift, so far as we are concerned.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. McCLELLAN. I am glad to yield.

Mr. THYE. I think the Senator misunderstood my statement. I said if they could point to any language in the bill specifically spelling out that they should take the surpluses off the hands of the producers in the United States, they would say, "See, it is what I told you, those Americans, the people of the United States, were not so big-hearted that they were trying to help us here in the western European countries. They were trying to help themselves. Look at the language they have written into the bill, that if they have a bushel or a pound of surplus agricultural commodities, we must take it from them, rather than take it in exchange from one of the other European countries." We are engaged under the European recovery program in bringing about recovery. I can very easily see that it might be said to the people of France, "You cannot sell one of the participating countries any wheat, because the United States has a surplus of wheat, and they have it spelled out in the act that, whether it be England or the Scandinavian countries, they must take the surplus commodities from the United States rather than take them from France."

Mr. McCLELLAN. Let me say to the Senator, we are not furnishing any other

country dollars with which to buy wheat from France.

Mr. THYE. I mean, when it is spelled out in the act, it could be used as a charge against us.

Mr. McCLELLAN. They are going to say something anyway. They are saying it. In my opinion, the time has come for some plain talk. The American people have an interest, too, that needs to be protected, and I am ready to say to France, and to all the other ECA countries, "Yes, we are going to help you, but in that process we are not going to weaken ourselves at home on the domestic front any more than is necessary." They will get just as much strength from wheat that is in surplus in this country, and they will go just as far toward recovery with the wheat they need that is in surplus in this country as they will if they buy Argentine wheat or if they buy wheat somewhere else. The end result is going to be the same, except that extra dollars are going to be borrowed to be given to them, to buy something this Government has already bought with taxpayers' dollars and has in surplus.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I shall be glad to yield.

Mr. YOUNG. I think the Senator remembers well that approximately 2 years ago the United States Government was supplying wheat to ECA countries for a little more than \$3 a bushel. At the same time Argentina was selling her wheat for approximately \$5 a bushel. At this time, instead of showing some appreciation for sacrifices on the part of the United States Government, England is dickering for wheat in Argentina and in the satellite countries. If I remember correctly, the original proposal of former President Hoover was to help those countries by giving them our surplus products. Am I correct in that statement? Does the Senator remember Mr. Hoover's position on that question?

Mr. McCLELLAN. I think that is correct. I see nothing wrong with that.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I shall be glad to yield to the Senator from Michigan.

Mr. VANDENBERG. Can the Senator give me the over-all amount which is involved in this transaction?

Mr. McCLELLAN. I am having some charts distributed, and if the Senator from Michigan will get one of the charts and follow it, I shall appreciate it. I have added another column to it since the 10 percent reduction.

The amounts shown in the first column are the amounts intended to be purchased in the United States, according to their estimates.

Mr. VANDENBERG. Their estimates as of what date?

Mr. McCLELLAN. Up to February of this year. That is my recollection of Mr. Hoffman's testimony. That is the amount they are going to purchase in the United States. I shall indicate just what the chart shows.

In the first column there is shown the amount the participating countries have said they were going to buy in the United States if they received the money. That is on the basis of the full amount, however, and it will have to be reduced by 10 percent.

Mr. VANDENBERG. May I interrupt the Senator at that point?

Mr. McCLELLAN. Certainly.

Mr. VANDENBERG. Does the Senator contend that a 10 percent reduction in this figure offsets a 10 percent reduction in the total figure?

Mr. McCLELLAN. Not necessarily. If the Senator will permit me to explain this table I can follow the Senator better and the Senator can better follow me.

Mr. FLANDERS. Mr. President, may I inquire what the initials indicate?

Mr. McCLELLAN. That is what I wanted to explain. The first-column figures are the entire dollar purchases intended to be made of these products in the United States.

The next column, containing the initials "OWH", represents the purchases the participating nations say they are going to make with dollars in other Western Hemisphere countries.

The next column has really no effect on the result, but the initials "OPC" refer to other participating countries. It shows how much they might buy from other participating countries, but they were going to buy no agricultural products whatsoever from any other participating countries.

The initials "DOST" refer to dependent overseas territories.

The "ONP" represents other nonparticipating countries. It represents dollars they are going to spend in other countries not participating in the program.

The next column indicates the total dollar expenditures.

The total amount to be advanced by ECA is in the next column.

The next column shows the amount ECA is going to finance of goods which will be purchased in the United States.

The next column shows the dollars they are going to use to purchase these commodities; that is, non-ECA dollar purchases in the United States.

Then there is indicated the total amount financed by the ECA, which is \$1,673,000,000. By reason of the modification to 90 percent, that will be \$1,506,000,000.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. McCLELLAN. I shall be glad to yield.

Mr. VANDENBERG. Does the figure of \$1,506,000,000 become the figure identified in line 2, page 4, of the Senator's amendment?

Mr. McCLELLAN. Yes; insofar, only, as the products are in surplus. Some of the products which those countries say they are going to buy are not surplus products.

Mr. VANDENBERG. I am asking for information. The Senator knows the

very great respect I have for him and for everything he does, but I am finding it difficult to follow his logic in setting up his premise. Did I correctly understand the Senator to say that his amendment requires that if ECA beneficiary countries are going to buy agricultural surplus commodities, the only thing the amendment does is to require them to make the purchase in the United States?

Mr. McCLELLAN. Insofar only as they use ECA money to make the purchases.

Mr. VANDENBERG. Why is not that objective completely covered by section 112 of the existing law?

Mr. McCLELLAN. I do not understand the interpretation of that section; I cannot understand it. If that is already in the law, I can see no objection to my amendment.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. McKELLAR. Has it ever been used heretofore?

Mr. McCLELLAN. I cannot say.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I yield.

Mr. VANDENBERG. I should like to pursue my inquiry a little further, consecutively. It is my understanding that section 112 of the existing law requires that the purchase of any surplus agricultural commodities actually needed by the participating countries and paid for by ECA dollars shall be made only in the United States. If that be so, it seems to me it completely answers the definition which the Senator applies to his amendment.

Mr. McCLELLAN. I have not concluded the definition of the amendment. I have stated one phase of it. The other is that this money is not available for other purposes.

Mr. VANDENBERG. Precisely.

Mr. McCLELLAN. That is not in the present act to which the Senator has referred.

Mr. VANDENBERG. The question I was raising was against the Senator's statement that the amendment requires only that beneficiary countries take such agricultural surplus products as they themselves say they need and want.

Mr. McCLELLAN. That is correct.

Mr. VANDENBERG. It is at that point that I desire to submit a question to the Senator. If the Senator were to add that he is referring to a figure made last February in connection with a larger budget, when each of the beneficiary countries said that out of a larger budget they estimated they could use a certain amount of agricultural products, that would be one thing. The difficulty is that the general budget available to them having been reduced, they cannot freeze in one sector any other contemplated purchases as estimated last February. As I see it they must revise their entire estimate and eliminate that which they can best surrender; whereas it seems to me that the Senator's amendment is forcing them to freeze one item in the February budget, even though he takes off the 10-percent reduction, and does not allow them to reassess their need in

the light of the resulting total sum available.

Mr. McCLELLAN. May I answer the Senator at this point?

Mr. VANDENBERG. Yes; I should be glad to have the Senator comment.

Mr. McCLELLAN. Whatever savings would result from this, that money has not been programed. They have not anticipated it; they have not expected it; it has not been programed. It would have to be programed later. They have not counted on this money, because they have made their estimates saying they were going to spend the money for one specific purpose. It has been reduced only 10 percent. That is the whole gist of this matter. There is not an agency of the Federal Government for which we appropriate money that we do not require to come before the Congress and lay down a plan of expenditure, indicating what the money is to be spent for. We do not permit them to get money to build one dam or to build one project and take it to build another. We appropriate the money for specific purposes, and I am saying in the amendment, "This is what you said you wanted, what you said you needed to recover, to sustain you while you recovered." I am merely saying, "We give exactly what you said you wanted," less 10 percent, as we said, in connection with the whole bill. "We do not compel you to take it, but you have represented to us that you wanted it for that purpose."

Someone has said they may make good crops and may not need all this money. Let us hope they do make good crops, and if they do and do not need all the money, they will take nothing they do not need, and we will keep the dollars in the American Treasury. Therefore it is in the interest of the taxpayers of the United States.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. VANDENBERG. I do not seem to be making much headway in making my point plain, which is probably my fault. Let me restate my proposition to the Senator.

Last February the ECA accumulated an illustrative budget, and they specifically stated it was an illustrative budget, because it is totally impossible to anticipate a fixed expenditure in detail under the ECA program. Its flexibility is essential to its utility.

Therefore, in the first place, I respectfully submit to the Senator that he is not fair in insisting that an illustrative budget of last February can be set down as the metes and bounds of subsequent distribution of ECA funds for 18 subsequent months. But even if the Senator did insist upon clinging to the illustrative budget of last February, this is the point I make to him: The illustrative division of that budget last February was on the basis of a 10 percent larger total sum than is now available. The Senator is saying that there must be a 10 percent horizontal cut down through this illustrative budget, whereas the fundamentally important consideration is that every ECA country, confronting a total

reduction of 10 percent in its ECA receipts, must refigure its total budget in order to determine where it can best absorb the 10-percent reduction. I submit that the Senator's amendment is forcing them to apply it in just one place, and foreclosing them from making any subsequent estimates which may more accurately reflect their subsequent requirements.

I submit again that if the Senator's only purpose is to require that ECA funds spent abroad for agricultural products shall be spent in the United States, that specific mandate is already spelled out in section 112 of the existing law. The trouble is that the Senator's amendment, in my humble judgment, goes infinitely beyond the objective which he describes, and to which I would have no opposition whatever. My difficulty is that the Senator's definition of his objective does not include the total result which flows from his amendment, because the total result which flows from it is the freezing of an ancient estimate which is no longer up to date.

Mr. McCLELLAN. Mr. President, if that is the only objection to it, it is certainly time for us to begin knowing what we are doing when we are appropriating money. If the ECA countries cannot take this 10 percent over-all cut and make the necessary readjustments in the program, such readjustments as to ensure that the program will not be wrecked, if they have to have every dollar of this money free of restriction so that they can simply do as they please with it, without any instruction or limitation from this Government through the Congress—if that is the kind of program it is—and if it takes that to make it succeed, then I do not believe it will ever be a success.

Mr. LUCAS. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield.

Mr. LUCAS. Am I correct in my understanding that if this amendment should become the law, and if there were an extraordinarily good crop, let us say, of one commodity, and a short crop of another commodity, under the Senator's amendment the ECA Administrator would not be able to adjust the situation?

Mr. McCLELLAN. Oh, yes; he would have the money to buy the other commodity. These funds are not frozen to each individual commodity. They are frozen to the total amount that is required to buy them.

Mr. LUCAS. I did not so understand the amendment, and I am glad to have the explanation of the Senator.

Mr. McCLELLAN. In other words, if they had estimated they needed so much wheat, and they had a good crop of wheat and did not need that much, but had a short crop of corn and found it necessary to buy corn, the whole amount would be available for that commodity. That is my interpretation.

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield to the Senator from New Mexico.

Mr. ANDERSON. The language is that it is determined by the kinds and quantities.

Mr. McCLELLAN. That fixes the amount; the kinds and quantities fix the amount. That is put in there to determine the amounts.

Mr. ANDERSON. Would not the Senator agree with me that if tobacco and cotton are set out in definite amounts and the need arises for more wheat, not one penny of the money set out in that illustrative budget for tobacco or cotton could be spent for wheat?

Mr. McCLELLAN. I do not agree; I think that the money is available to buy any of these commodities.

Mr. ANDERSON. The language is as plain as it could be.

Mr. McCLELLAN. I do not think the Senator gives a correct interpretation to it.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. LUCAS. First I wish to state that I agree with the Senator from New Mexico as to the interpretation. I definitely believe the language freezes each and every one of the commodities in line with the estimate made last February, and if there is a long supply in one crop and a short supply in another, there is, under the amendment, no way by which that situation could be adjusted, if the ECA Administrator follows the proper interpretation of the amendment.

I wish to ask a question regarding the chart submitted by the Senator, but before going into the chart, and referring to the amendment, just what crops were in the budget justification estimate which is involved—the entire group that is shown on the chart?

Mr. McCLELLAN. That is what the ECA submitted, yes, when asked for a break-down.

Mr. LUCAS. This amendment definitely applies to surplus agricultural products?

Mr. McCLELLAN. Yes.

Mr. LUCAS. Suppose we do not have any surplus agricultural products.

Mr. McCLELLAN. Then it would not apply. The money would be available anyway.

Mr. LUCAS. There is a contingency involved in connection with the amendment. In the event we do not have any surplus agricultural crops the amendment could not apply.

Mr. McCLELLAN. It would apply. It would be the law.

Mr. LUCAS. There would be a contingency if we did not have any surplus agricultural products.

Mr. McCLELLAN. We may have many laws which do not operate in connection with every particular matter with which they deal. This provision is not contingent upon anything. It fixes the amount of money for the particular purpose if the crops are surplus. We do have a surplus now. The products are declared surplus, and there is no contingency about it.

Mr. LUCAS. Some crops may be declared to be in surplus now.

Mr. McCLELLAN. There is such surplus.

Mr. LUCAS. Tomorrow some contingency may arise so there will not be a

surplus. The point I make is that in the event of such contingency—

Mr. McCLELLAN. We may make an appropriation to repair the Capitol. If the Capitol should burn before the money is spent to repair it, that is a contingency. The law would still be the law, however.

Mr. LUCAS. I am seeking to obtain information from the Senator, and to see if he agrees with me.

Mr. McCLELLAN. I do not know what the Senator wants me to agree to. Perhaps he wants me to agree that there may be a contingency connected with the matter and therefore it is subject to a point of order. I do not agree, however, that there is a contingency. I know the purpose for which the Senator from Illinois is interrogating me.

Mr. LUCAS. The Senator from Arkansas does not have to agree with me.

Mr. McCLELLAN. I do not agree with the Senator from Illinois.

Mr. LUCAS. I know how I feel, however, regarding the situation, and probably I shall argue the matter on a point of order a little later.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. VANDENBERG. Without regard to contingencies or points of order, but merely as a matter of simple interpretation, is it not a fact that if there were no surpluses the result of the Senator's amendment would be to reduce the total appropriation by \$1,500,000,000?

Mr. McCLELLAN. No.

Mr. VANDENBERG. I think that is just as plain as the nose on my face.

Mr. McCLELLAN. It would not reduce the appropriation, except if we have surpluses to the extent that the countries involved do not buy what they said they would need. In that event the money would remain in the Treasury and that saving would be effected. That is the purpose of the amendment. That is what I seek to accomplish.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. ELLENDER. From the answer made by the Senator from Arkansas to a question propounded by our distinguished majority leader, am I to understand that the Administrator would have the right under the amendment to shift purchases, let us say, from bread grains to fats and oils?

Mr. McCLELLAN. I think he would.

Mr. ELLENDER. Will the Senator point out the language in his amendment which would permit such a substitution?

Mr. McCLELLAN. It provides that it shall be used for no other financing. That permits it to be used for such purpose as the Senator indicates.

Mr. ELLENDER. The amendment provides:

Ninety percent of the amount required to finance the procurement of surplus agricultural products * * * of the kinds and in the quantities set out in the Economic Cooperation Administration budget.

Mr. McCLELLAN. That fixes the amount, 90 percent of the amount required.

Mr. ELLENDER. Yes; of the amount, but also of the kinds and in the quantities fixed in the ECA budget.

Mr. McCLELLAN. Of the kinds and quantities they set out.

Mr. ELLENDER. Of the kinds and in the quantities fixed. I cannot follow the Senator when he states that such language would give the Administrator the right to shift from dairy products to fats and oils or vice versa.

Mr. McCLELLAN. He would still be buying surplus products.

Mr. ELLENDER. In amount but not—

Mr. McCLELLAN. The term "amount" is to fix the budget that was submitted to determine the amount that they were going to spend for agricultural commodities.

Mr. ELLENDER. But the Senator's amendment also uses the word "kinds" and also the words "in the quantities" set out and so forth.

Mr. McCLELLAN. The kinds they represented they were going to buy. It applies to the amount. That is the purpose of the language. The money would be available for buying agricultural products.

Mr. ELLENDER. I do not so interpret the language. I should like to ask the Senator another question. In the second column of the summary that the Senator has presented to us headed OWH—Other Western Hemisphere—there is the figure "\$807,300,000," which indicates purchases to be made from other countries in the Western Hemisphere than the United States of food and agricultural imports. Will those purchases be made with dollars or with the currencies of the countries needing the commodities?

Mr. McCLELLAN. With dollars. All these purchases are dollar purchases.

Mr. ELLENDER. As I understand, the Senator does not in any manner try to dictate how free ECA dollars are to be spent?

Mr. McCLELLAN. How what are to be spent?

Mr. ELLENDER. The ECA dollars that are not obligated.

Mr. McCLELLAN. They are free dollars. We do not undertake to say how they should be spent anywhere.

Mr. ELLENDER. What would prevent these countries from decreasing their purchases with ECA free dollars, let us say, for wheat or cotton or tobacco and purchase something else they might need while they acquire the whole amount of agricultural commodities that is to be purchased for them with ECA obligated funds?

Mr. McCLELLAN. They have free dollars. The Senator understands they said they were going to buy more goods over here than ECA was going to finance.

Mr. ELLENDER. I understand, but suppose they choose to use those ECA free dollars to purchase other than grain, cotton, and tobacco and obtain from this country the entire amount of agricultural commodities that will be financed from ECA obligated funds, as provided in the Senator's amendment?

Mr. McCLELLAN. I do not know that I quite follow the Senator.

Mr. ELLENDER. The Senator sets out in his summary that the total amount for food and agricultural imports are, from the United States, one billion forty million and some-odd dollars, and from other Western Hemisphere countries, \$807,300,000. That is correct; is it not?

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. As I understand, the eight hundred and seven-odd million dollars worth of food and agricultural products can be purchased with so-called free dollars?

Mr. McCLELLAN. They can now.

Mr. ELLENDER. They can now?

Mr. McCLELLAN. Yes.

Mr. ELLENDER. What would prevent those countries from using those free dollars to buy less food and agricultural products from countries other than the United States and invest their free dollars in industrial or other commodities? Surely they will need more food and agricultural imports than the amount the Senator seeks to freeze by his amendment.

Mr. McCLELLAN. They can spend their free dollars for whatever they want to.

Mr. ELLENDER. So the Senator's amendment then could be bypassed and it would not accomplish the purpose he has in mind.

Mr. McCLELLAN. It does accomplish the purpose. As to agricultural commodities they cannot buy them in other countries.

Mr. ELLENDER. That is what I was asking the Senator and he stated that the free dollars could be used for whatever purpose the countries desired.

Mr. McCLELLAN. They could not buy them in other countries if they were in surplus here. They could not buy them with ECA dollars.

Mr. ELLENDER. Does the Senator say they could not buy them with free dollars from other countries?

Mr. McCLELLAN. They could buy them with whatever free dollars they have.

Mr. ELLENDER. How many free dollars, according to the Senator's statement, will these countries have?

Mr. McCLELLAN. I believe I have that information. The total dollar imports for all these countries are estimated at \$6,314,000,000. That total of \$6,000,000,000 would be financed by \$3,716,000,000 ECA dollars, and they would have a balance of \$2,598,000,000 free dollars. That is the total for all the participating countries.

Mr. ELLENDER. Now, as to those free dollars, these countries can buy whatever they desire from whatever country they wish; is that correct?

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. Suppose in using those free dollars they buy less wheat, less sugar, less meat from us than the amount set out in the Senator's summary? Why could they not purchase in the United States the entire amount the Senator's amendment seeks to freeze, and decrease the purchases they contemplate to make with the free dollars, and buy whatever else they need from other countries?

Mr. McCLELLAN. I think they could do that.

Mr. ELLENDER. Then I ask, What is the object of the Senator's amendment? Would not the Senator's amendment be useless since it could be easily bypassed?

Mr. McCLELLAN. No; not if I correctly understand. It is hard to follow the Senator.

Mr. ELLENDER. I am sorry. I may not make my point clear. I have before me a statement evidently prepared by the distinguished Senator from Arkansas which shows that there are so many free dollars to be used by the ECA countries to purchase wherever or whatever they choose.

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. They do not have to purchase grain with ECA free dollars to make up their requirements. They can purchase machinery or they can purchase anything they desire. If that is correct, what would stop them from utilizing those funds to buy commodities other than grain? The Senator has indicated in the last column of his summary the sum of \$280,000,000 as being free dollars to purchase bread grains. Does not the summary show these figures?

Mr. McCLELLAN. \$280,000,000.

Mr. ELLENDER. Yes. That is the figure in the last column to the right.

Mr. McCLELLAN. That is correct.

Mr. ELLENDER. Instead of buying \$280,000,000 worth of grain, suppose they bought only \$100,000,000 worth and used the \$180,000,000 to buy something else, and relied on the full amount of ECA-financed purchases in the United States for their supply of bread grains?

Mr. McCLELLAN. They are going to spend so much, and ECA is going to finance up to a certain point.

Mr. ELLENDER. That is correct.

Mr. McCLELLAN. They can do what they please with their free dollars.

Mr. ELLENDER. I agree. Could they not spend all of the ECA-financed funds for the grains which the Senator sets out and buy less grains with their free dollars?

Mr. McCLELLAN. There is nothing compelling them to take anything at all.

Mr. ELLENDER. The point I am trying to emphasize is that the Senator's amendment, as I see it, may become ineffective and it could certainly be bypassed, as I have previously indicated. It will not accomplish the purpose the Senator has in mind because of the ability of ERP countries to buy whatever they please with their ECA free dollars.

Mr. McCLELLAN. There is no effort here to control the free dollars. We cannot control them and should not have any control over the free dollars.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. THYE. There is \$587,400,000 earmarked for cotton, is there not?

Mr. McCLELLAN. Yes.

Mr. THYE. In the event the amendment were to prevail, insofar as the ECA budget is concerned, the appropriation which would be made available to ECA—\$587,400,000—would have to be expended for cotton, and cotton only. If they did

not expend it for cotton, it would eventually have to revert to the Treasury unless it were otherwise disposed of. That is correct, is it not?

Mr. McCLELLAN. That is correct.

Mr. THYE. That is what I meant when I said that we are spelling out this proposal in the act. There is a provision in the ECA Act which makes it mandatory that any time the Secretary of Agriculture declares any commodity in surplus, ECA funds must be used to purchase the surplus. But in the Senator's amendment he proposes to spell that out specifically. He specifies cotton, wool, other fibers, coarse grains, protein feeds, fertilizer, and so forth. The participating countries must take those commodities in specific amounts.

Mr. McCLELLAN. This is the budget they prepared. It is called an illustrative budget.

Mr. THYE. The Senator's amendment would freeze the illustrative budget.

Mr. McCLELLAN. It would freeze the total which would be required to buy all these commodities. It would specify the amount to be used for agricultural commodities which are in surplus.

Mr. THYE. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. McCLELLAN. I yield.

Mr. THYE. In the event they did not take the full amount in cotton, those dollars could not be used for any other purpose.

Mr. McCLELLAN. They could not be used for buying industrial products.

Mr. THYE. They could not be used for wheat.

Mr. McCLELLAN. I think they could. It is the amount that is frozen.

Mr. THYE. I do not believe the language in the Senator's amendment is clear. It refers to the ECA budget estimate submitted to the Senate.

Mr. McCLELLAN. That is in order to determine the amount. It is then required that that amount be spent here if the commodities are in surplus.

Mr. THYE. But the Senator's amendment specifically earmarks each item in accordance with the estimate submitted by the ECA Administrator. Each item is specified—bread grains, fats and oils, sugar, meats, dairy products, other foods, fertilizer, cotton, wool, and other fibers.

Mr. McCLELLAN. This is the illustrative budget; and in order to determine the amount, this chart was prepared by the ECA, giving us these figures, showing how they said they were going to spend the money.

Mr. THYE. But the Senator's amendment freezes each category.

Mr. McCLELLAN. It does not freeze each category. It freezes the amount for the purchase of commodities in surplus, but not in each category, in my opinion. They could use any of this ECA money, up to the amount that is required, to purchase commodities in surplus. They could use that money for the purchase of surplus commodities.

Mr. THYE. Only in the amounts spelled out. If the Secretary said there

were so many bales of cotton available, and if he said that was surplus, those dollars would be frozen for the purchase of cotton in the amount specified in the budget submitted by the ECA.

Mr. McCLELLAN. When reference is made to the amount, it means the total amount. We could not write it out in dollars, and say "\$1,500,000,000." We did not want to place that kind of limitation on the operations, because prices fluctuate, of course. But to the extent that the illustrative budget, as it is termed, shows that they said they needed money to buy—

Mr. THYE. Half of the illustrative budget is earmarked for cotton at the present time.

Mr. McCLELLAN. That is what they said they wanted. I did not fix the amount of cotton they said they wanted. But this amendment, referring to kinds and quantities, is to determine the amount of the limitation. Instead of saying "\$1,000,000,000," we determine the amount in that way.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CORDON. There is one factor which I have been unable to understand in connection with the mechanics of operation if this amendment is adopted. The amendment provides that 90 percent of the amount required to finance the procurement of surplus agricultural products, determined to be surplus by the Secretary of Agriculture, of the kinds and in the quantities set out in the Economic Cooperation Administration budget justifications submitted to the Senate shall not be available for any other financing.

My first question is this: I do not understand that the ECA budget justification sets out any purchase of surplus agricultural commodities. It sets out certain kinds and quantities of agricultural products to be financed in the United States and purchased by ECA funds, but not as surplus agricultural products. The Senator agrees with me to that extent; does he not?

Mr. McCLELLAN. That is correct; but as they are determined to be surplus—and many of them have already been determined to be surplus—this amendment would apply.

Mr. CORDON. My next question goes to the meat of the problem. There would be affected by the amendment approximately \$1,673,400,000 in money, that being the total amount of food and agricultural imports to be financed from ECA funds.

Mr. McCLELLAN. What figure did the Senator use?

Mr. CORDON. One billion six hundred and seventy-three million four hundred thousand dollars.

Mr. McCLELLAN. With the 10-percent reduction it is \$1,506,060,000.

Mr. CORDON. I have not applied the reduction. I am taking the larger figure. If the amendment were to be adopted, it would leave in effect an earmarking of that amount of money for a specific purpose, on condition that the products are declared surplus. The Senator agrees to that, does he not?

Mr. McCLELLAN. I agree that far—except that the products are already surplus.

Mr. CORDON. In any event, all the money is earmarked, and may not be otherwise spent?

Mr. McCLELLAN. That is correct.

Mr. CORDON. Assuming that all the items are not surplus, or have not been declared surplus—dairy products, for example, or fertilizer, protein feeds, fats and oils, sugar, and other items—assuming that those are not in surplus, or if they be in surplus in fact, have not been declared surplus by the Secretary of Agriculture, the money must still be held as earmarked, must it not, through to the end of the fiscal year? If it is not earmarked on a given day, it conceivably might be earmarked the next day. Does the Senator agree?

Mr. McCLELLAN. Unless the ECA is going to spend all the money at once. Whenever any of our agricultural commodities become surplus, ECA funds to the extent required for the purchase of such surplus commodities in the quantities which the participating countries planned to purchase them, would become earmarked for that purpose.

Mr. CORDON. Will not the funds always be earmarked because of the fact that they may be required at some time during the fiscal year for that purpose?

Mr. McCLELLAN. So long as the commodity which the participating countries intend to purchase is not in surplus supply in the United States and has not been declared surplus, the funds will not be earmarked.

Mr. CORDON. Assuming that to be so, I think that is the very meat, gristle, and bone of this proposition, and it presents the danger which I apprehend in the amendment. The amendment does not indicate the time during the fiscal year when the particular agricultural product will become surplus or will be declared to be in surplus supply. The restriction or earmarking will apply, as I understand, not to commodities which are in surplus supply as of the date of the signing of the act, but to commodities which are surplus as of November, December, or January.

Mr. McCLELLAN. Of course, it is the purpose of the amendment to have the participating countries use the ECA funds for the purchase of agricultural commodities in surplus supply in the United States, to the extent that such countries intended to buy those kinds of agricultural commodities.

Mr. CORDON. But the point I am getting at is this: When may the Economic Cooperation Administrator say as a matter of law that any of these dollars have become free dollars which may be used for purposes other than for the purchase of surplus agricultural commodities in the amounts specified?

Mr. McCLELLAN. As of the date when this bill becomes law, there would be an immediate earmarking of the amount of the ECA funds necessary for the purchase of United States agricultural surplus commodities of the kind which the participating countries have indicated they intend to purchase, and in

the amounts they have indicated they intend to purchase them.

Mr. CORDON. Yes.

Mr. McCLELLAN. The remainder of the ECA funds would be free, not earmarked. But there would be an earmarking of whatever amount of the ECA funds would be required for the purchase of such surplus agricultural quantities, of the kinds the participating countries had indicated they desired to purchase, and in the quantities they had indicated they intended or desired to purchase them. That earmarking would occur at the time when the bill goes into effect.

Mr. CORDON. Would the Senator say, then, that the legal effect of the amendment, as he understands it, is the same as it would be if it read as follows:

Ninety percent of the amount required to finance the procurement of agricultural products which are in surplus supply as of the date of the enactment of this act, and are so declared by the Secretary of Agriculture.

Mr. McCLELLAN. I think that is correct. If I understand the Senator's question, I reply by saying that I think the amendment earmarks whatever amount of ECA funds would be required for the purchase of the quantities and kinds of surplus United States agricultural products—surplus as of the time of the enactment of the act—corresponding to the kinds and amounts of such agricultural commodities the participating countries say they want and need. That amount of money would immediately be earmarked for that purpose, and could not be spent for any other purpose.

Mr. CORDON. Mr. President, I am not familiar with the time when many crops are harvested, to the extent that I can anticipate when a declaration of the existence of a surplus might safely be made by the Secretary of Agriculture. However, I have one such crop in mind, namely, sugar. Sugar-beet production is rather a sizable agricultural industry in the West, and the sugar beets are harvested later than this time. The amount of sugar available is determined considerably later. What would be the effect of this amendment, as it relates to the earmarking of ECA funds for the purchase of sugar, if a surplus actually were created at a time following the enactment of this act?

Mr. McCLELLAN. Whenever sugar was declared surplus, any unexpended ECA funds would be earmarked to the extent required for the purchase of the amount of sugar which the participating countries had not been able to purchase up to that time, but had declared they wished to purchase or needed.

Mr. CORDON. Then, according to the view of the Senator from Arkansas, in any event the funds are to be earmarked for the purchase of the kinds and amounts of food indicated in the justification, even though they may be purchased elsewhere. Is that correct?

Mr. McCLELLAN. Even though they may be purchased elsewhere?

Mr. CORDON. Yes; elsewhere than in the United States.

Mr. McCLELLAN. We earmark only what is required for the purchase of the kinds and quantities of such crops, in surplus supply in the United States,

which the participating countries have said they wanted. That is all the amendment would do.

Mr. CORDON. I am trying in my clumsy way to translate the language of the amendment into action and to apply the old rule that we test a law by what may be done under it, rather than by what is said as of the moment to be its purpose.

If we are to have available, for purchases in this country, the sums of ECA money necessary for the purchase of a surplus agricultural commodity, which surplus originates after the enactment of this measure, it would appear to me that we must earmark the funds and must hold them for at least the purchase of the kind of food mentioned in the justification, and in the amount mentioned in the justification, or else we cannot know what amount of the funds will remain available for use in the purchase of such surplus commodities.

Mr. McCLELLAN. I do not think the amendment goes that far; I cannot interpret it in that way.

When it goes into effect, it will earmark only the amount of ECA funds which will be required for the purchase of commodities which now are in surplus.

Mr. CORDON. Mr. President, if the Senator from Arkansas will yield for a further observation, let me say I hope he will give consideration to a clarification of the amendment to the extent of making it applicable only to food surpluses as of the date of the enactment of the act.

Mr. McCLELLAN. If a point of order is not made against the amendment, we might be able to give consideration to those matters.

Of course, it is not our purpose in offering the amendment to attempt to cripple this program. Our purpose is simply to protect the interests of the United States and at the same time do for the participating countries what they say they need us to do for them, insofar as these surplus agricultural commodities are concerned. That is what we are hoping and trying to do.

Mr. CORDON. Mr. President, if the Senator from Arkansas will further yield, let me say that I am in full sympathy with what he seeks to do. There can be no question in my mind as to his sincerity in attempting to do it. If I can find a way to help him do it, I wish to do so.

Mr. McCLELLAN. I appreciate that.

Mr. CORDON. But I wish to be sure that we know what we are doing, and that we do not do something we are not trying to do.

Mr. McCLELLAN. I understand.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. McCLELLAN. I yield.

Mr. DONNELL. Perhaps the Senator desires to proceed.

Mr. McCLELLAN. I am glad to yield. I do not want to keep the floor all afternoon.

Mr. DONNELL. I should like to ask the Senator a question somewhat along the line the Senator from Minnesota

was interrogating him a little while ago. I want to be sure I understand just what is contemplated by the amendment. Am I correct in understanding that under the Economic Cooperation budget justification, \$1,673,400,000 are set out as the total food and agricultural imports?

Mr. McCLELLAN. No. That is the total that was going to be financed by ECA dollars.

Mr. DONNELL. I should have said by ECA dollars. Ninety percent of that would be \$1,506,060,000, to which the Senator from Arkansas referred. That is correct; is it not?

Mr. McCLELLAN. That calculation was made by someone else, but I believe it to be correct.

Mr. DONNELL. I have it here, and I think it is \$1,506,060,000 which is 90 percent of \$1,673,400,000. I understand—and if I am wrong, I wish the Senator would correct me, though I am inclined to think he disagrees with me, from his discussion with the Senator from Minnesota—I understand the fair meaning of the language in this amendment, where it refers to "the kinds and in the quantities set out in the Economic Cooperation budget justification," to be as follows: I would understand that as we go down this tabulation, "bread grains, 465.1," when we earmark and set aside a total of \$1,506,060,000 for the aggregate of food and agricultural imports, we are earmarking 90 percent of \$465,100,000 for bread grains, making \$418,600,000. Does the Senator agree with me on that?

Mr. McCLELLAN. To that extent the funds would be earmarked, if bread grains were in surplus.

Mr. DONNELL. Very well. I assume the Senator is considering that the ECA considers bread grains as including not only wheat but corn as well.

Mr. McCLELLAN. I assume it does.

Mr. DONNELL. Of course, in our country up to the present moment we cannot tell whether there is going to be a surplus when the corn crop is in, can we?

Mr. McCLELLAN. We could not tell as to other crops; no.

Mr. DONNELL. Now, drop down for a moment, to illustrate my point, to tobacco, \$110,000,000, 90 percent of which would be \$99,000,000. The Senator does not mean, does he, that if it develops that tobacco is the only item in all this list of food and agricultural products that shall prove to be in surplus, unlikely though that should be, that 90 percent of \$1,673,400,000 or \$1,506,060,000, could be devoted to purchasing tobacco, and would be required to be so devoted?

Mr. McCLELLAN. If that were all the only crop in surplus, that would be the only amount that would ever be frozen. Nothing would be frozen until there was a surplus.

Mr. DONNELL. If the Senator does not mind, I should like to state my understanding of the language. It may not be correct and it may be subject to debate, but I think the fair meaning of the language in line 5, page 4, of the act, where it uses the words "the kinds and in the quantities set out," and so forth, is that from the time the appropriation

bill passes, 90 percent of \$1,673,400,000 is earmarked for food and agricultural imports, namely, \$1,506,060,000. That amount is broken down, according to the justification on the sheet entitled "Economic Cooperation Administration," so that, to illustrate, on bread grains there is earmarked 90 percent of 465.1, namely, 418.6, and on fats and oils, 90 percent of 93.1, to wit, 83.79; and so on down the list.

Mr. McCLELLAN. Mr. President—

Mr. DONNELL. I should like to complete the thought. Subject to the Senator's correction if I am in error, it would seem to me under the language as set forth in the amendment, if there should prove to be no surplus of bread grains, taking that as a hypothesis, there could not be added to the amount for fats and oils which would be required to be purchased from surplus, the unexpended part of the 418.6 set aside for bread grains. As I see it, the fair meaning of this language, "the kinds and in the quantities set out in this page," and so forth, means that as to one of these particular items, bread grains, 90 percent of 465.1 is frozen for the purchase of bread grains, and if there should prove to be no surplus, that particular part would revert and would not be used by the ECA. Likewise, under this requirement, in the case of fats and oils—90 percent of 93.1—if there should prove to be no surplus in that item, I assume 83.79, which is 90 percent of 93.1, would revert and could not be used for the purchase of other items.

Obviously, we cannot tell from time to time whether dairy products are going to be in surplus, and I cannot conceive that the bill would fairly mean that we are to decide whether there is in surplus as of the date the bill goes into effect, because the bill runs for a period of a year, I believe. So, as we proceed down the list, it would appear to me that the \$1,506,060,000 earmarked for "food and agricultural imports" are broken down into the respective components, and that as to each one, unless there shall prove to be a surplus in the aggregate amount specified as 90 percent of the amount set forth in this justification, there would be a reversion to the Treasury and the money could not be used for other purposes. So, if, for illustration, tobacco should prove by any possibility, which is doubtless an improbability, to be the only item in surplus, the only amount of this total of \$1,506,060,000 which could be used at all under the Senator's amendment would be 99 for tobacco. Am I correct in that understanding?

Mr. McCLELLAN. I do not think so, if I understand the Senator from Missouri. I may say to him that none of these funds are frozen except where there is a surplus, and they can spend them anywhere they want; they can buy them anywhere they can find them in any market, anywhere. It is only when we have a surplus here that the amount necessary to buy the kinds and quantities the participating countries said they wanted would be earmarked, but as to the rest of the money, so long as there is no surplus, they can take the money and buy the products wherever they find them.

Mr. DONNELL. I understand. Mr. President, will the Senator yield for a further question?

Mr. McCLELLAN. I yield.

Mr. DONNELL. I understand that point. But it seems to me, when we realize the amendment will lie with the economic cooperation administration for administration, it means that \$1,506,060,000 are earmarked for the total of food and agricultural imports, but the \$1,506,060,000 are so broken down as to refer specifically to each one of the items, some 12 or 15, as I recall, under the heading of "food and agricultural imports," and that if there should fail to be a surplus in any one of them, the amount so frozen and set aside could not be expended for anything other than the particular item. That, I think, would be the reasonable interpretation of the language of the amendment.

Mr. McCLELLAN. That is not at all the correct interpretation of the amendment, in my judgment. It does not freeze those funds.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAGNUSON. Supposing the reverse to be true, that all the items mentioned in the justification were in surplus, would not all these funds then be frozen for those items in the same proportion as shown in the table?

Mr. McCLELLAN. That is correct; they would be frozen, yes.

Mr. MAGNUSON. Supposing another agricultural commodity which heretofore has not been declared surplus should become surplus in the coming year; could it then be included in any of these items.

Mr. McCLELLAN. Yes; when it is declared surplus, to the extent the money was available for its purchase.

Mr. MAGNUSON. If all the items on the list were in surplus, I understand the Senator's amendment would freeze the funds in proportion to the justification shown in the table. That does not include all agricultural products raised in the United States. Let us take apples and pears, or lumber, which is an agricultural product—supposing lumber were declared surplus in the coming year. Would lumber, apples, and pears not be included?

Mr. McCLELLAN. I do not think lumber is regarded as an agricultural commodity in the sense we use that term.

Mr. MAGNUSON. It is so used in our country.

Mr. McCLELLAN. Let us assume it is an agricultural commodity.

Mr. MAGNUSON. Let us take for example apples and pears.

Mr. McCLELLAN. They are agricultural commodities.

Mr. MAGNUSON. They would not be available. Their purchase would not be authorized with these funds; is that correct?

Mr. McCLELLAN. There is no breakdown of other products. I do not know what is included in the item "miscellaneous."

Mr. MAGNUSON. Would not the Director of ECA, if the Senator's amendment should be adopted, take it as a directive to continue to buy in the United

States those products which the ECA theretofore bought, if they are considered agricultural products?

Mr. McCLELLAN. I do not know what is included under "other foods." I assume that is an abbreviation.

Mr. MAGNUSON. If an agricultural product not included in this table be declared surplus in the coming year, would it not be almost impossible for the ECA to purchase that product?

Mr. McCLELLAN. I do not know why it would be impossible.

Mr. MAGNUSON. The ECA would have no money, because the money would be frozen for the purpose of purchasing other products.

Mr. McCLELLAN. There is an estimated amount. What is in the complete break-down of the list, I do not know.

Mr. MAGNUSON. Suppose the breakdown does not include any agricultural product becoming surplus in the coming year—

Mr. McCLELLAN. I assume they have the information somewhere, although they did not give it in full in the budget which they submitted. There are probably many minor items included in the "other foods" item.

Mr. MAGNUSON. I am still trying to assume a case of a product which is not included and which would become surplus. Would it not be virtually impossible, if the funds are frozen, for ECA to purchase that product?

Mr. McCLELLAN. I do not think so.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. McCLELLAN. I yield.

Mr. DONNELL. The Senator may say that this is an improbable assumption, and perhaps it is, but it illustrates the point which I have in mind. Suppose there should prove to be at no time during the operation of the appropriation bill a surplus in any one of the items under the head of "Food and agricultural imports" as to which there is set aside by the Senator's amendment \$1,506,000,000; suppose there never is a surplus of any one of those items: The entire amount of money would not and could not be used under the terms of the Senator's amendment. Is not that correct?

Mr. McCLELLAN. It is available for purchase anywhere in the world.

Mr. DONNELL. But it would not be required to be used, under the terms of the Senator's amendment, for the purchase of commodities in our country?

Mr. McCLELLAN. That is correct.

Mr. DONNELL. So that as the \$1,506,000,000 there would be a reverter because it could be used only for the purpose of buying in the United States the kinds and quantities—

Mr. McCLELLAN. Of those that are in surplus.

Mr. DONNELL. If none of them was in surplus, the money could not be used for anything else.

Mr. McCLELLAN. It would be available for expenditure wherever they wanted to expend it. It would not be frozen. There is nothing frozen and nothing that reverts, except as to commodities which are in surplus. The money would be available to purchase

these commodities anywhere they could find them.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I shall be glad to yield.

Mr. CAPEHART. Is it not a fact that the peaches, pears, and apples about which the Senator from Washington was speaking would fall into the category of other foods?

Mr. McCLELLAN. I should think so. Whether apples are actually listed in the complete break-down of products, I do not know.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MAGNUSON. There is so much money for the purchase of agricultural products. If apples, pears, and peaches were not included, if these items were frozen, I do not see how they could be purchased if they were later on declared surplus.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CAPEHART. Is it possible to get a list of the items which constitute "other foods"?

Mr. McCLELLAN. I assume it is like all other things. There are some miscellaneous items. I assume they were put in "other foods" to cover the whole matter.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. ANDERSON. The other foods referred to are clearly defined on page 839 of the hearings. They are rice, eggs, dried fruit, dry legumes, those items being produced in the United States, and cocoa beans and coffee, which are, of course, not produced in the United States.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CAPEHART. It is evidently the intention of the Administrator never to buy any apples, peaches, or pears.

Mr. MAGNUSON. If it is not the intention, they have not bought them to date.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LUCAS. Does the Senator agree with me that whatever estimate is submitted with respect to the various commodities which are in surplus, whether it be under specific headings or whether it be under "Other foods," it is not binding on the Administrator or anyone else? All he has done has been to give the information for the benefit of the committee, and if they want it to include apples, peaches, and pears, even though they were not mentioned in the hearing, the Administrator would have the money available to purchase them, but under the Senator's amendment he would be tied hand and foot.

Mr. McCLELLAN. No; I do not think that statement is correct.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. DONNELL. I understood the Senator to respond to one of my ques-

tions a moment ago to the general effect that if there should prove to be a situation in which none of the items listed under "Food and agricultural imports" should be in surplus, the \$1,506,000,000 could be used to buy products anywhere the countries wanted to buy them.

Mr. McCLELLAN. That is correct.

Mr. DONNELL. Is it not true, however, that under the terms of the amendment, these funds, broken down as I have indicated under the various items of food and agricultural imports, are required to be set aside and frozen until the Administrator can ascertain whether there is a determination that any of these items is in surplus, and, consequently, until there is a determination as to whether, for instance, dairy products are in surplus, the amount set aside as 90 percent of the dairy products item cannot be used to buy anywhere else?

Mr. McCLELLAN. I think the Administrator can buy anywhere any of the items, and can spend any of this money for the purpose of buying them, so long as they are not declared surplus, but if they are declared surplus, then, to the extent of the amount stated as that which they intend to buy, the amount is frozen and is not available for any other financing except to buy those items which are in surplus.

Mr. DONNELL. Does the Senator, then, construe the amendment to mean that if on the date of the passage of this bill and its becoming law, if there were no surplus, the ECA could use all the money—

Mr. McCLELLAN. There would not be any of it frozen until some product were declared surplus.

I do not know that I have discussed all the points I wished to make, and I shall proceed further.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. FULBRIGHT. Supposing that 6 months after the law goes into effect the Administrator had purchased half of the amount set aside, and then a product becomes surplus; how much, then, would be available to purchase it? I am wondering how it applies.

Mr. McCLELLAN. Whatever they have purchased in some other country, whatever they lacked in quantity, to that extent the funds would be frozen. The only new burden placed on the ECA by the amendment is the requirement of a bookkeeping transaction. That is what it actually amounts to. The dollars we have already provided for buying these surplus crops are dollars which we made available to the Commodity Credit Corporation. If we let them have dollars with which to buy the crops which are in surplus, then those dollars go back into the Treasury, and reimburse the Treasury for the money we have already spent for the commodities. If we do not do that, then we have to go to the Treasury and get dollars and give them to the people of the ECA countries to spend. So, instead of reducing the national debt, or holding it at its present level, by making available to those countries in this manner commodities we have already bought, we merely borrow more money and add to the national debt, and

give the ECA countries the money to spend wherever they want to.

Mr. MAGNUSON. Mr. President—

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Arkansas yield to the Senator from Washington?

Mr. McCLELLAN. I yield.

Mr. MAGNUSON. I did not follow the Senator in his first illustration. For a moment it sounded to me almost like the Townsend plan. As to the dollars the Commodity Credit Corporation gets, does it get them from moneys we appropriate?

Mr. McCLELLAN. They borrow it from the Treasury, as I understand. Is not that correct?

Mr. MAGNUSON. I do not know.

Mr. McCLELLAN. I believe we give them power to borrow money from the Treasury. That is my recollection.

In no instance does the amendment require or compel Europe, or any country in Europe, to take any commodity in excess of its reasonable needs. The press has tremendously misrepresented this proposition. It is stated that we are going to compel them to take what they do not need, that we are going to dump our surpluses on them. There is no truth in that. We do not compel them to take anything they do not need.

Mr. VANDENBERG. Mr. President, that is where I have such difficulty in following the Senator's statement. Does he not require them either to take what they said they wanted last February, even though they say in July they do not need it at all, or else sacrifice the entire sum involved?

Mr. McCLELLAN. Certainly we can keep the money in the Treasury if they find they do not need it and let us hope they find they do not need it, and let us keep more money in the Treasury. That is exactly what I am trying to do. That is exactly the purpose of the amendment. I do not feel they are under any compulsion as to this money.

Mr. VANDENBERG. I desire to find out what the Senator means when he says they are under no compulsion.

Mr. McCLELLAN. They do not have to buy one bit of the goods if they do not need them and do not want them.

Mr. VANDENBERG. Except as they said they wanted them in February and find out in September they do not need them.

Mr. McCLELLAN. They do not get the dollars to spend for something else, that is exactly correct, and that is what I am trying to bring about. They have given us a budget. It is not a performance budget, it is one that was to appeal to us, to show us, to try to convince the Congress that they needed so much money for the program. If they find they do not need it—and I hope they will find they do not need it—let us keep the money. They have not had two programs of expenditure. Then why should we let them build up a new program, or do something else they had not anticipated they would do, or which they had not represented to Congress they would do with the money if they got it?

Mr. VANDENBERG. In other words, if they decide in September that they have no use whatever for an item which

they listed in February, there is no compulsion whatever except that they take it—or else.

Mr. McCLELLAN. No compulsion at all. We do not want them to take anything they do not need. There is no compulsion. One may arrange for a loan or credit at a bank, or at a store. There is no compulsion on him to use the credit. If he does not use it, he does not get the goods. All we are saying here is, "You have represented to the ECA and to the Congress that this is your best judgment about what you are going to need this money for the coming year." That is it exactly. We have said, "We are willing to give you that much money, but you represent to us that you want so much of that money with which to buy certain commodities. We will let you have the money for that purpose, but if you do not use it for that purpose, we keep the money. We do not let you have it for some other purpose." That is exactly the purpose of the amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Nebraska.

Mr. WHERRY. As a member of the Committee on Appropriations, I wish to ask the Senator a question. Let us take the chart which the distinguished Senator passed around to the Members of the Senate. I have just been examining it since he passed it around. The first item is "Food and agricultural imports." In the left column the ECA countries are shown as anticipating that they will buy \$1,040,000,000 worth of food in the United States in fiscal 1950. The last two columns equal that column on the chart.

Mr. McCLELLAN. I believe that is correct.

Mr. WHERRY. The next to the last column requires that if the Secretary of Agriculture determines that there is a surplus of any one of these commodities, then ECA is required to spend in the United States the amount in the second column from the right to purchase those goods in the United States.

Mr. McCLELLAN. That is correct.

Mr. WHERRY. That, by the way, is a justification under which the appropriation is finally made. We argued in the committee about the justification and the amount. ECA comes forward and says, "We want dairy products in the United States, and we are going to buy \$55,100,000 worth." In the next to the right hand column it is indicated they are going to use ECA dollars for the amount that is justified by the committee in setting out the needs under the justification, which is \$46,900,000. The balance of it they buy in the United States with their own dollars. The ECA has not anything to do about it. Is that correct?

Mr. McCLELLAN. That is correct.

Mr. WHERRY. If ECA gets dairy products, let us say cheese, to such an extent that when the time comes to finance the \$46,900,000 ECA needs only half that amount, under the Senator's amendment the ECA could not use the balance of the \$46,900,000 for anything else. Is not that correct?

Mr. McCLELLAN. That is absolutely correct. That is exactly what the amendment does.

Mr. WHERRY. Where is there any compulsion there? If they did not need cheese, what would ECA compel them to do? Would we compel the United States taxpayer to put up \$46,000,000 in money under the justification that they wanted cheese when they did not need cheese at all? That is exactly what is proposed. There is no compulsion at all.

Mr. McCLELLAN. If they find that they do not need it—

Mr. WHERRY. Why should we spend the money?

Mr. McCLELLAN. The compulsion is on American taxpayers. Some seem determined to spend this money anyway. I am trying to show that we are not going to spend it anyway. We say, "We are going to give it to you for what you said you needed or wanted, and not for something else. We are putting compulsion on the taxpayer of this Nation to foot the bill, to borrow dollars which you are going to spend whether you need it or not." That is exactly where the compulsion is.

Mr. WHERRY. Mr. President, there is one thing I should like to know, because I am trying to get the amendment analyzed. Food includes bread grains, fats, meats, and other foods. If ECA finds that it does not need the justification of \$46,000,000 for cheese, is the ECA Administrator entitled to use it for any other food in that bracket?

Mr. McCLELLAN. I should say so.

Mr. WHERRY. That is what I want to know.

Mr. McCLELLAN. I think he can, because we freeze it only as to kinds, in order to determine the amount.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. WHERRY. Could the ECA Administrator use the \$46,900,000 to buy feed and fertilizer?

Mr. McCLELLAN. I think he could.

Mr. WHERRY. There is where I would disagree with the Senator from Arkansas.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. VANDENBERG. If the Senator from Nebraska will read the Record, I believe he will find that for the past hour we have been discussing this particular subject, and the Senator from Arkansas has one view and the Senate has another.

Mr. WHERRY. I am not sure that I have another view, because I have not read the Record. But there is one thing I should like to ask the distinguished Senator from Arkansas. A Senator told me that he felt that section 112 of the basic act, would accomplish the same purpose as the McClellan amendment seeks to accomplish.

Mr. McCLELLAN. If it is already in the law, what objection can there be to restating it?

Mr. WHERRY. In my opinion, it is not in the law.

Mr. McCLELLAN. I agree with the Senator in that statement.

Mr. WHERRY. Does the Senator recall the proposal made last year with respect to cheese?

Mr. McCLELLAN. I cannot say that I recall it.

Mr. WHERRY. Here is the difference between the McClellan amendment and what is contained in the present law. There is no penalty provided in the basic act. I have forgotten the date involved, but prior to the time the Secretary of Agriculture declared cheese to be in surplus, cheese was bought in Canada for allocation to certain European countries. After cheese was declared to be in surplus in the United States it was announced that the money must be used to buy cheese in the United States, and the allocation was made. But that was not done. ECA countries used their own money to buy cheese in Canada. Under the McClellan amendment they would be required to take the ECA dollars and buy the cheese for which they show a justification, if cheese is declared to be in surplus in the United States. I ask, what is wrong about that?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WHERRY. I am not through. I wish to ask the Senator from Arkansas another question.

Mr. McCLELLAN. Mr. President, the Senator from Nebraska desires to ask me another question.

Mr. SALTONSTALL. The Senator from Nebraska has asked if any Senator has objection to what he said, and I should like to make a statement on that point. However, I can do so later.

Mr. WHERRY. Mr. President, I shall be glad to defer now, if the Senator from Massachusetts wishes to reply.

Mr. SALTONSTALL. I should like to do so.

Mr. McCLELLAN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I will say to the Senator from Nebraska that if his interpretation is correct—

Mr. WHERRY. Interpretation of what?

Mr. SALTONSTALL. Of the McClellan amendment, that it would utterly deny the Administrator the discretion under section 105 (a) (1) of the act, which says that he "shall review and appraise the requirement of participating countries for assistance under the terms of this title."

Mr. WHERRY. The distinguished Senator from Massachusetts has made my argument. That is exactly what I contend.

Mr. SALTONSTALL. No; may I say this? Under the Senator's interpretation, the Administrator's discretion is frozen in February for the rest of the year.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. WHERRY. I ask the Senator if the basic act is not supposed to carry a prohibition, but does not provide for any penalty? Does the Senator mean to say that if they decide in February they want to use \$50,000,000 to spend for cheese

that later they can decide to spend it for anything else they want to? That does not make sense, if what we are trying to do is to protect ourselves in the matter of surpluses.

Mr. McCLELLAN. That is exactly what can be done as the law is now.

Mr. WHERRY. That is correct.

Mr. McCLELLAN. That is what I am trying to prevent. I think it is in the interest of the Nation that we not simply throw dollars away. Some people seem to feel that we must get rid of this money somehow. I do not feel that way about it, and I think the time has come when we should declare that we do not feel that way about it.

I wish to make a further observation. The spending of money in Europe to enable its people to recover, if it is not effective, if it is not securing results, is weakening us on the domestic front by that much, and unless we are building over there a strength comparable to the extent to which we are weakening ourselves here it will be a bad bargain in the end.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. WHERRY. Unless the McClellan amendment, or an amendment similar thereto, is adopted, to make the basic act effectual, the ECA countries can use their own money with which to buy cheese, whereas they came to the United States and asked to obtain \$50,000,000,000 under a justification. For the life of me, I cannot see that it was the intention of the basic act, which is to protect our own production, that any such thing be done. That would not afford any protection at all.

Mr. McCLELLAN. Mr. President, total imports for Europe for fiscal 1950 are estimated at \$20,150,000. This total includes goods purchased in dollars, and in other countries. A few moment ago I pointed out the amounts of the imports which were going to be purchased by dollars, or the dollar imports.

The total dollar imports are estimated at \$6,314,000,000. This \$6,000,000,000 total would be financed by \$3,716,000,000 of ECA dollars. They have \$2,598,000,000 of free dollars.

Total imports of food and agricultural products from the United States to be paid for in dollars total \$2,171,000,000. This is the old figure. It has been reduced 10 percent now. Of which \$1,673,000,000 are ECA funds and \$497,000,000 are free dollars.

If the amendment is adopted and all food and agricultural commodities were declared in surplus, the effect would be that the European nations would have to import from the United States \$1,506,000,000. The countries themselves, with ECA, have estimated that they will spend \$3,465,000,000 in the United States and elsewhere on these same products. In other words, the amount of these goods for which dollars are to be spent would have to be scaled down more than 50 percent before this amendment would result in shipping to them dollar imports for which they have no need, assuming the most extreme conditions. If this amendment is adopted and the European

nations subsequently reduce their requirements for any commodity in surplus, the result will be that they can reduce their own expenditures for that commodity, while the ECA expenditure would remain fixed. While it is true that the amendment can freeze certain ECA dollars, it has no effect upon freezing other dollar funds available to participating nations, and therefore does not freeze their economy in any detrimental sense.

Mr. President, I should like to comment briefly on some of the objections which have been made, principally by the press. The press and some commentators have, in my judgment, been very careless and reckless in some of the charges made against the amendment. They say that it would make the European recovery program a dumping ground for United States farm surpluses. It does not make it a dumping ground for any surplus. We are not compelling the ECA participating nations to take anything. We are not dumping anything. We are giving it to them. We are not committing any imposition on them. They say they need it. The Government owns it, in effect. It has it, and it is in surplus. We are permitting them to take our dollars and buy it from the agency of Government which has already bought it with taxpayers dollars. We are dumping nothing. We are giving other nations what they say they need to sustain life and bring about a recovery in their economy.

Some have said that the result of the amendment would be to convert the European recovery program into a dumping mechanism for American surpluses. If it is in the interest of our own country and our own taxpayers not to spend another dollar for the same thing we have already spent a dollar for, and have in possession—if that be called a mechanism, we need a little more mechanism in the administration and operation of our Government.

It has been said that this procedure is "pork barreling." Some of those who write articles can think of nothing else to write about. When we try to do something to protect the interests of this Government, when we build a project which is a productive project, it is referred to as "pork barreling." When we develop our rivers and harbors it is referred to as "pork barreling." If European nations are going to buy these products with our dollars, if it is "pork barreling" to require them to take the surpluses we have, then I say that we had better continue to do a little "pork barreling." The country will be better off.

European countries have said that they must have our help in order to recover. We are giving them that help. But if we are to see this program through, we must not so weaken ourselves and weaken our fiscal policy that we cannot carry it out. It does not make sense to borrow another \$1,000,000,000 and put it in circulation over the world. Of course, the dollars will ultimately come back, but they will not come back into the Treasury. That is where they will go if this amendment is adopted. Some of the dollars will go back into the United

States Treasury to the extent that other nations purchase these commodities.

It is said that this amendment would make the whole ECA program unworkable. That is simply absurd, except to the extent that it may be desired to operate the program without any controls, restrictions, or limitations. To that extent the amendment would make it unworkable. The European nations can still revise and plan. There is nothing to prevent them from doing that. The rest of the money is completely free. It is not frozen. European nations can make adjustments as they are required. But to the extent that they finally do not need these surplus products, that money remains in the Treasury.

Others have said that the amendment would require the European nations to purchase farm surpluses. It would not require them to purchase anything they did not want.

Others have said that the amendment would jeopardize our objective in Europe. How would it jeopardize our objectives? If we give the European nations the money, they are going to buy the commodities somewhere else. If that is what they wanted it for to begin with, how in the world does the amendment jeopardize our objectives in Europe? The people of European nations will get just as much strength from a grain of wheat which is bought from our surplus as they would get from a grain of wheat bought anywhere else. They would get just as much fiber from a bale of cotton bought from our surplus, and I assume that they would get just as much joy and pleasure from smoking American tobacco. They would get just as much strength and life-giving value from dairy products which come from America. How are our objectives jeopardized? The whole program can go on just as it has been planned. This amendment would not interfere with it, except to the extent that some of this money might be left in the Treasury.

It has been said that the Communists will use this amendment as propaganda. I say that we ought to have the courage to tell the participating nations that we are helping them. What is wrong with giving them the things of which we have the most, and which we do not need? How could that affect the psychology of the situation? Suppose Russia says that we are dumping our products? Russia cannot dump them. She does not have them. That is the answer. Under our free enterprise system and under our democracy America can produce surpluses. Russia cannot. Russia cannot supply the goods. That is the answer to the propaganda. If the character and moral stamina of the people of the ECA nations have so far deteriorated by this time that we could not give them that answer and make them appreciate it, then I have no hope of our ever placing them back on an economic status in which they would not fall for communism. After all, there is something for those people to do. There is a requirement of them. America cannot do it all.

So I say that this amendment is not a farm amendment. It is not an amendment for the relief of the farmers. The farmer is going to get his money anyway.

We have already guaranteed that. We are going to appropriate money, or authorize the lending of money from the Treasury to pay the farmer. He is going to get his money for his products anyway, surplus or no surplus. This amendment is in the interest of the taxpayers of the Nation. It is a taxpayers' program.

Mr. President, this amendment is a taxpayers' amendment. It will help the farmer, and it will help every taxpayer in the Nation just as much as it will help the farmer, because if by this process, which does no harm to any country, we can avoid having to borrow another billion dollars, we shall keep the United States just that much stronger, and thus the amendment will provide a billion dollars' worth of additional security for all the people of the United States.

Mr. President, that is what we are trying to do by this amendment. That is the only purpose we have in mind. We do not wish to put our Nation any further in debt than is absolutely necessary. I deny that any Senator on this floor can show that it is necessary for us to borrow and spend another billion dollars or another billion and a half dollars to carry out this program, when we can supply the goods these countries say they want from stocks we already have, which we already have paid for. The farmer has no more special interest in this amendment than has anyone else in the United States. Every wage earner, every businessman, every professional man, everyone who pays taxes, is interested in this amendment, Mr. President. After all, every consumer in the United States pays taxes, either directly or indirectly. This amendment is in the interest of all our taxpayers. It is in their interest that we take this precaution and employ this means of protection, which will not hurt the ECA program at all, but will save the United States a billion dollars or more.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. A moment ago, in a colloquy between the Senator from Arkansas and the Senator from Massachusetts, question arose as to the situation last February and also as to the situation which might confront us when the foods are needed in the United States. Let me ask a question about my understanding of what the amendment really does, because in this instance the Senate is proposing to appropriate \$3,628,000,000 for use according to the needs of the participating countries: Should the Senate be willing to make the entire amount available for expenditure in the different brackets? I understand that the amendment will freeze only one part of the total amount of \$3,628,000,000. If we do not do that, then the only other position Senators can take is that we wish to appropriate the entire \$3,628,000,000 for this program, and we wish to permit the ECA Administrator to spend it just as he chooses. If we do not compel the ECA Administrator to use the money in accordance with the justifications, then we shall be saying to him,

"Here is the money; use it in any way you want to."

That is the point I tried to get over to the Senator from Massachusetts.

The participating countries say they need the money, and we are willing to give it to them. But if we do, why cannot we say to them, "We are going to freeze, in accordance with the justifications, the amounts of this money which you say you intend to spend for these particular purposes. If you need it, spend it in that way. If you do not need it, then the money will remain in the Treasury of the United States."

Mr. President, if we do not do that, we shall be saying to those countries, in effect, "Here is the \$3,628,000,000. Use it as you please."

Does not the Senator agree?

Mr. McCLELLAN. I agree.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. SALTONSTALL. I wish to ask two questions. First of all, why does the Constitution reserve to the Senate the right to advise and consent in regard to nominations, unless the purpose is to obtain the best possible men for service in Government positions? If we wish to obtain the best possible men, once we obtain them we must be prepared to rely upon their discretion and judgment, must we not?

Let me inquire also why we have imposed, under the language of the bill, the responsibility on the part of the ECA Administrator to view and appraise the program, if we are going to freeze large amounts to the funds appropriated?

Mr. McCLELLAN. After all, why should we handle these funds any differently than the funds we appropriate for the various departments and agencies of the Government? We in the Senate help in the selection of the best possible men to head the various departments. Those men are appointed by the President and confirmed by the Senate. Then we require them to present justifications for the expenditures they anticipate making in their departments. In view of that situation, why should we handle this matter differently? We already have the justifications in connection with these matters.

Furthermore, Mr. President, we should bear in mind the possibility of a change in the situation. Suppose the situation changes; suppose a review is made, and it is found that the situation has changed and that more money is needed. Congress will be in session. The adoption of this amendment will not ruin any program. I do not know how long Congress will continue in session now, but certainly Congress will be in session next January. Why not require the presentation of justifications for any further funds, such as another \$500,000,000 or another \$1,000,000,000. Why provide a blank check, and say, "Spend it in some way or other; get rid of it." Such an arrangement does not make sense to me, Mr. President.

I do not see that there is any such great emergency abroad that the money must be spent overnight. This money has not been programmed. The par-

ticipating countries have not set aside a dollar of it for a single purpose abroad. They have intended to buy food with it. If the situation changes and if they want money for other purposes or if they wish to use some of this money for other purposes, why not have them do what any department of our Government does, namely, show us how they propose to spend the money, before we make additional money available to them for expenditure?

Mr. WHERRY. Mr. President, will the Senator yield.

Mr. McCLELLAN. I yield.

Mr. WHERRY. I should like to ask the Senator another question. No one has raised the issue—at least I have not—relative to the ability of the Administrator or anything of that sort? In fact, I think the RECORD is full of tributes which have been paid to Mr. Hoffman, and I think the Senator will agree that I have said time and time again that I think Mr. Hoffman is a good Administrator. I would not wish to handicap the Administrator. I should like to ask the Senator from Arkansas if he agrees with me about that.

Mr. McCLELLAN. I say that I have heard no criticism of the Administrator. Certainly I am not critical of him.

I can say to the Senator from Nebraska that if he were the Administrator or if the able Senator from Michigan were the Administrator or if any other Senator were the Administrator, I would still want this same provision placed in the bill. This is not a matter of personalities. Such restrictions are placed in the appropriation bills relating to the various governmental departments. Then why must this bill be considered sacred and altogether different from any other appropriation bill, and requiring altogether different treatment? Why are we afraid to let the Congress have something to say about the expenditure of these billions of dollars? Why are we afraid to write into this measure a restriction for the protection of the American people, a restriction to save our taxpayers money?

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. McCLELLAN. I yield.

Mr. WHERRY. I apologize for taking the time to ask a further question, but it bears further on the question just referred to by the Senator from Arkansas. Is it not a fact that in the Appropriations Committee we continuously review the appropriations; and is it not also a fact that all appropriations, domestic or otherwise, are approved under justifications? In fact, is it not true that many of the justifications earmark the funds for certain purposes, as, for instance, in the case of the Interior Department appropriations or appropriations for rivers and harbors? In other words, the earmarking of appropriations, under the justifications, is not an unusual procedure, is it?

Mr. McCLELLAN. There is nothing at all unusual about it.

Mr. WHERRY. If we were to refuse to adopt this amendment, would not the situation be just the same as if we were to say to the Interior Department, "We

appropriate \$500,000,000 for your use, and we do so without making any restrictions or earmarking or without placing any limitations at all upon the expenditure of the money. Here is the \$500,000,000. It is given to you in one big sum, and you may spend it in any way you wish to."

Would not such a procedure be just as logical as a refusal to adopt this amendment?

Mr. McCLELLAN. That is correct. Even in the case of the National Defense Establishment, we do not proceed in that way. We earmark the appropriation. We know what we are going to spend it for. We have them come before us to testify they are going to buy so many airplanes and build so many ships, describing the kind and character. We require a justification for all those items. Even in regard to the national defense, we do not allow such great discretion as it is proposed to give to the ECA. I simply see nothing wrong with the amendment.

I did not mean to take up nearly this much time. Of course I have been compelled to, by reason of the questions. But I want to say a few more words in conclusion.

Mr. LUCAS. Mr. President, will the Senator yield for one more question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Illinois?

Mr. McCLELLAN. I am glad to yield.

Mr. LUCAS. This is apparently a very important amendment. Am I correct in my understanding that no hearings were held by the committee on the amendment?

Mr. McCLELLAN. So far as I know, hearings were held continuously on the amendment and everything else pertaining to spending this money. If that is not a hearing on the amendment, I do not know what it would be. We have had testimony about everything in the bill so far as I know. If the Senator feels there have not been sufficient hearings, I may say I suggested the other day when the bill went back to the committee that we might resume hearings. I am perfectly willing to go back and resume them, if the Senator is unhappy about it.

Mr. LUCAS. I am not unhappy about anything, except I was trying to get the facts; that is all. It has been rumored that the amendment was written in by the committee, that no hearings were held on it, and that the Administrator had no opportunity to testify. I was merely endeavoring to ascertain whether that was true or false.

Mr. McCLELLAN. The amendment was offered in committee, that is true, but it was offered after the Administrator had testified and had been cross-examined over and over and over.

Mr. LUCAS. I am very happy to learn that.

Mr. McCLELLAN. The Senator did not say to me here the other day, "I am going to make a point of order against your amendment." The Senator gave me no advance notice. That is all right; it did not matter. Neither did I say to Mr. Hoffman, "Well, Mr. Hoffman, I am going to write an amendment to this bill

and present it." I did not feel I had to ask him, when I wanted to have a little legislation considered.

Mr. LUCAS. I am very glad to know that hearings were held, because it satisfies my own mind that the rumor was inaccurate.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. McCLELLAN. I yield.

Mr. McKELLAR. I have in my hand over 1,000 pages of hearings, directly or indirectly referring as much to this amendment as to any other question, perhaps, except the total amount of the appropriation.

Mr. LUCAS. I thank the Senator.

Mr. McKELLAR. I am very sure every member of the committee—I see a number of them on the floor—will agree with me, and will agree with the Senator, that that is true.

Mr. McCLELLAN. I may say this—and I think every Senator knows it—that in considering legislation, when hearings are held and people come before the committee to testify, the committee does not know before the witnesses come what amendments may be offered. That is the purpose of the hearings. After hearing the witnesses, as we heard them, we then decided this amendment was proper, and we then offered the amendment.

Mr. CHAVEZ. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from New Mexico?

Mr. McCLELLAN. I yield.

Mr. CHAVEZ. Is it not a fact that in committee, after the hearings, the amendment was put to a vote, noses were counted, and United States Senators who belonged to the committee, not the administrative assistants, voted for the amendment? Is not that correct?

Mr. McCLELLAN. That is absolutely correct. United States Senators voted for it, or it would not be in the bill.

I do not know what the ruling of the Chair will be. I do not want to take up more time. If a point of order is made to the amendment—

Mr. McKELLAR. Mr. President, will the Senator yield for a moment?

Mr. McCLELLAN. I yield for a question.

Mr. McKELLAR. Is it not a fact that when the amendment was adopted in committee, it was adopted by a vote of 13 to 4?

Mr. McCLELLAN. It is my recollection it was adopted by that vote.

While, as I say, I do not care to take up more time, I do want to take occasion to say now, so I will not necessarily have to take the floor again, that if a point of order against the amendment is sustained with all deference to the Chair, I shall feel compelled respectfully to appeal from the decision and ask the Senate to nullify it. The Senate can interpret its rules. Whatever the Senate says the rules are, that is what they are. This amendment is a limitation. It has no purpose on earth except to limit the use

of funds. I am not the only one who interprets it as I do. I probably should not risk my judgment. I know there can be differences of opinion—honest differences of opinion, perhaps—as to whether this is legislation or simply a limitation. All I ask, if it is held to be a limitation, either by the Chair or by the Senate itself, is an opportunity to have the amendment voted on and a determination made of whether it shall become law, by a majority vote.

We have legislation in the bill. The bill came to the Senate with much legislation in it. As was said by the able chairman of the committee, or by another Senator, earlier in the day, one of the purposes of striking out many of the House provisions was simply to point up to the Senate how much legislation comes to the Senate from the House which is put in the bill by a majority vote of the House. In this instance it is necessary, decidedly necessary, for the Appropriations Committee or the Senate itself, in order to protect the interests of the Government and to protect the best interests of the taxpayers of the United States, to write some legislative provision in the bill, or at least a limitation. Under the existing rule—the Senate may want to keep it or change it, but that is something to be discussed at another time—we handicap ourselves by requiring a two-thirds vote, so oftentimes we cannot protect what a majority of the Senate believes to be the vital interests of the people of the Nation, unless we can get a suspension of the rule by a two-thirds vote.

I point out that the bill which now comes from the Committee on Appropriations with all the House legislative provisions stricken, is merely a sample of what can be done with practically every appropriation bill we handle. If a point of order is to be made touching a provision such as this, which simply seeks to limit the expenditure of money, and if there is other legislation like it, then why should not the rule apply to every appropriation bill? Why should not a point of order be made to the bill itself, and let it go back to the committee, and let the committee report the bills stripped to the bone? As it is, when we want to legislate by way of amendments, we have to have a two-thirds vote. In this case I say there is a doubt, but Senators, who are probably much more able than I, interpreted the original amendment before it was modified—one Senator in particular, who, in my opinion, will vote against the amendment on its merit—as being a limitation. The language is negative. Certainly in my judgment it comes within the rule, and where there is that much doubt, and where the interest of the American people is definitely involved—possibly \$1,000,000,000 or more is at stake in this one amendment alone—then why not let the amendment be submitted and decided by the Senate by a majority vote? I would have no scruples about doing that when there is a question of doubt.

I do not think the situation is such as to warrant any Senator in being great-

ly concerned about letting the amendment be submitted on its merits and decided by a majority vote. That is all I ask.

Whatever ruling the Chair may make, if it be a ruling that it is a limitation, I assume there will be an appeal from that decision. But I should like to urge my colleagues to let us submit the amendment, important as it is, so it may be either accepted and become law by majority vote of this body, or be rejected by a majority, and not require a two-thirds majority in order that we may legislate in connection with a bill which proposes to give away billions of American dollars.

Mr President, we want to preserve the integrity of the rules of this body, of course, but there are times when we waive rules, and this is a time when the Senate can very well afford to say this amendment as now written is in a form which is a definite limitation and therefore it merits consideration and adoption by a majority vote.

Mr. McCLELLAN subsequently said: Mr. President, I ask unanimous consent to place in the RECORD at the conclusion of my remarks earlier today the table to which reference was made in the discussion.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

Economic Cooperation Administration—summary: 15 participating countries¹—estimated total dollar imports, 1949–50

[In millions of dollars, exclusive of transportation costs]

Item	United States	OWH	OPC and DOTS	ONP	Total	Total ECA financed	ECA financed in United States purchases ²	Non-ECA dollar purchases in United States	90 percent ECA financed in United States purchases ¹
1. FOOD AND AGRICULTURAL IMPORTS									
Food.....	1,040.5	807.3	-----	60.4	1,908.2	842.5	677.2	363.3	600.4
Bread grains.....	745.1	399.2	-----	16.5	1,160.8	465.1	465.1	280.0	418.5
Fats and oils.....	135.9	59.1	-----	36.1	231.1	123.9	93.1	42.8	83.7
Sugar.....	-----	101.5	-----	-----	101.5	53.2	-----	-----	-----
Meats.....	9.2	102.0	-----	-----	111.2	67.2	7.3	1.9	6.5
Dairy products.....	51.1	17.9	-----	-----	69.0	62.8	46.9	4.2	41.6
Other foods.....	99.2	127.6	-----	7.8	234.6	65.3	64.8	34.4	58.3
Feed and fertilizer.....	315.0	174.5	-----	4.4	493.9	288.1	265.2	49.8	238.6
Coarse grains.....	279.3	118.1	-----	-----	397.4	231.2	231.2	48.1	208.0
Protein feeds.....	29.7	41.1	-----	-----	70.8	42.5	29.3	.4	26.3
Fertilizer.....	6.0	15.3	-----	4.4	25.7	14.4	4.7	1.3	4.2
Natural fibers.....	615.8	186.9	-----	15.5	818.2	607.8	597.5	18.3	537.7
Cotton.....	587.4	89.4	-----	2.3	679.1	569.1	569.1	18.3	512.1
Wool.....	21.2	90.0	-----	-----	111.2	21.2	21.2	-----	19.0
Other fibers.....	7.2	7.5	-----	13.2	27.9	17.5	7.2	-----	6.4
Tobacco.....	168.5	27.7	-----	.5	196.7	110.0	110.0	58.5	99.0
Other agricultural products.....	31.4	16.7	-----	-----	48.1	26.0	23.5	7.9	21.1
Total food and agricultural imports.....	2,171.2	1,213.1	-----	80.8	3,465.1	1,874.4	1,673.4	497.8	1,506.0
2. INDUSTRY IMPORTS									
Fuels.....	560.9	15.5	-----	45.1	621.5	550.4	532.4	28.5	-----
Coal.....	80.1	-----	-----	34.2	114.3	99.1	89.0	-----	-----
P. O. L.....	480.8	15.5	-----	10.9	507.2	451.3	443.4	-----	-----
Industrial raw materials.....	461.2	591.4	1.0	82.6	1,136.2	637.4	342.8	118.4	-----
Iron and steel raw materials.....	9.2	18.3	-----	4.3	31.8	-----	-----	-----	-----
Iron and steel:									
Crude, semi- and finished.....	99.4	7.8	-----	-----	107.2	-----	-----	-----	-----
Aluminum.....	-----	58.5	-----	-----	58.5	-----	-----	-----	-----
Copper.....	39.0	103.4	-----	-----	142.4	-----	-----	-----	-----
Lead.....	0.1	26.5	-----	0.3	26.9	-----	-----	-----	-----
Zinc.....	11.0	24.2	-----	-----	35.2	-----	-----	-----	-----
Tin.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other nonferrous metals.....	37.9	131.4	1.0	9.0	179.3	-----	-----	-----	-----
Paper and pulp.....	22.7	37.2	-----	18.2	78.1	-----	-----	-----	-----
Lumber.....	25.3	84.3	-----	30.7	150.3	-----	-----	-----	-----
Chemicals and carbon black.....	198.5	39.7	-----	15.8	254.0	-----	-----	-----	-----
Hides and skins.....	8.1	60.1	-----	4.3	72.5	-----	-----	-----	-----
Capital equipment.....	816.5	21.5	-----	2.0	840.0	593.6	584.9	231.6	-----
Agricultural machinery.....	69.8	8.1	-----	0.1	78.0	-----	-----	-----	-----
Machinery and equipment.....	746.7	13.4	-----	1.9	762.0	-----	-----	-----	-----
Other manufactures and raw materials.....	168.1	66.6	-----	16.6	251.3	61.1	53.6	114.5	-----
Total industry imports.....	2,006.7	695.0	1.0	146.3	2,849.0	1,842.5	1,513.7	493.0	-----
Total imports.....	4,177.9	1,908.1	1.0	227.1	6,314.1	3,716.9	3,187.1	990.8	-----

¹ Excludes Netherlands DOT, Indonesia, Portugal, Switzerland, Trieste, and Turkey.

² This amount is frozen in the McClellan amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 327) making an additional appropriation for control of emergency outbreaks of insects and plant diseases.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3751) to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMPSON, Mr. HARE, and Mr. WEICHEL were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS of Texas, Mr. GORE, Mr. ANDREWS, Mr. CANNON, Mr. CASE of South Dakota, and Mr. PHILLIPS of California, were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 755. An act to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.;

S. 803. An act to provide for the conveyance of a tract of land in Prince Georges County, Md., to the State of Maryland for use as a site for a National Guard armory and for training the National Guard or for other military purposes;

S. 1136. An act to amend the Canal Zone Code, and for other purposes;

S. 1137. An act to revise and codify laws of the Canal Zone regarding the administration of estates, and for other purposes;

S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high-intensity lighting on CAA designated instrument-landing runways;

S. 1285. An act to authorize progressive partial payments to sponsors under the Federal Airport Act program;

S. 1459. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

S. 1505. An act to amend the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947;

S. 1577. An act to revive and reenact, as amended, the act entitled "An act creating the city of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a

bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

S. 2030. An act to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions; and

H. R. 5632. An act to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. ANDERSON. Mr. President, the distinguished Senator from Arkansas said earlier this afternoon that he thought it was time to talk plainly about this matter, and I quite agree with him. I hope some of the experiences I have had in the past few years permit me to talk plainly about it.

The amendment quite clearly provides that the illustrative tables shall be used. I think it is important to look at the illustrative tables. They are carried on pages 838 and 839 of the hearings.

I desire to refer particularly to an incident which occurred some years ago; I think it was in 1946. It may have been in 1947. Somewhere within that period the British Government decided that it had to go on a new austerity basis, that it had to cut deeply into the habits of the British people and say to them that they could not have American tobacco. The dollar situation had deteriorated so greatly that it was found undesirable to have American tobacco using up their dollars as long as they needed wheat. That situation resulted in the immediate cancellation of shipping programs and the cancellation of orders for large quantities of tobacco. The tobacco was already packed in hogsheads and placed in warehouses, sometimes in Kentucky, in some instances in North Carolina, Virginia, and other States, but it was packed in a fashion to suit the British trade. Tobacco for the British trade is not packed as are American tobaccos, and therefore this great quantity of tobacco was not usable in the American trade.

Many persons streamed into the office of the then Secretary of Agriculture pleading with him to use his influence, if he had any, in Cabinet meetings, and with the President of the United States to compel the British Government to reconsider its determination not to use American tobacco.

It was forcefully pointed out that if that were not done immediately, we would have to cut tobacco quotas far more deeply than we had anticipated. That was the only argument presented to the Secretary of Agriculture as to why this tobacco should be shoved down the throat of the British Government.

We did not ship that tobacco. We left it in our warehouses. I am glad we did, because we need to claim foreign markets not on the basis of compulsion, but on the basis of the excellence of our products and the methods by which we sell them. The American soldier was the greatest cigarette salesman the American people ever knew. Somehow

or other the countries of Europe which used to use Turkish and other types of tobacco, have been preferring more recently American tobacco. We should work with that tendency, and not against it.

If the Senators will turn to the illustrative tables it will be seen that tobacco is one of the commodities to be shipped to Europe. I fully agree with the interpretation placed on the bill by the distinguished senior Senator from Michigan [Mr. VANDENBERG] and by the distinguished Senator from Missouri [Mr. DONNELL], that it does prescribe that the exact kinds and quantities set out in these illustrative tables shall be used.

I have discussed the amendment with persons very much interested in the subject, long before a similar amendment appeared in the bill, and I know it was thought then that we should make it clear that the exact kinds and quantities should be purchased. I was not able to associate myself with that thinking, but I do know that the language, if placed before the Administrator, could be interpreted by him only as requiring that the very kinds and quantities set forth in these illustrative tables should be utilized. That calls for approximately \$110,000,000 worth of tobacco. Tobacco is somewhat different from cotton in the matter of financing.

In the case of cotton, nearly 98 percent of the total quantity will be purchased from this country through ECA funds, while in the case of tobacco only 66⅓ percent of the total purchases will be made through ECA funds. The balance of it will be purchased through their own funds.

What this amendment says to the people of Europe is, "If you do not want \$100,000,000 worth of American tobacco and will not spend \$40,000,000 of your own money for an additional amount of tobacco, then the money reverts to the Treasury of the United States."

We realize that under those circumstances the British Government and other governments might take American tobacco, even if they did not want it, and while we would not be shoving it down their throats, we would be saying to them, "You will either take this, or the money comes back." No government facing its people and realizing that their liking for cigarettes is substantial would fail to say, "Well, this is money from ECA anyhow, and we shall be very glad to get the tobacco for you, even if we do not exactly need it."

That is not an unusual circumstance. Conditions do change. Let me remind the Senate that in the winter of 1946 there was a very severe freeze in France. France had estimated as carefully as it could the quantities of wheat it would need in the coming spring. The French estimates were wholly inadequate, because of the freeze. It was not because of the plantings by the farmers, but because the wheat, always planted late in the season, suffered destruction.

When that occurred we could not say to the French farmer, "Replant your field." Some French farmers were able to do that, but it was because they had

tractor equipment. The number of farmers in France who have tractor equipment is very limited.

I visited two farms in France in the summer of 1947 and could see the results of that freeze. One would be a field that was perfect and which would produce a tremendous quantity of wheat. Next to it would be a farm on which no wheat was available. It depended on whether the farmer had a tractor equipped with headlights and could get his wheat planted in a short period, before another storm made it impossible to get into the field.

What happened? The French had to change completely their requirement for wheat. When they changed it, they had, as the distinguished Senator from Michigan has been pointing out, to change all the other requirements in their budget.

If we apply this limitation and say to the nations of the world that they must take many million dollars worth of tobacco, and if they do not do so the money will revert to the Treasury of the United States, we will absolutely deny the possibility that they can make substitutions as conditions develop in which they need more wheat and other products. It is easy to say we can give money to the Frenchman and let him plant his crop again. Unfortunately, the French plant a peculiar and particular type of wheat. They do not trust our winter wheat or our summer wheat. When we tried to supply them with additional seed wheat, it served only as food. They planted their own alternative type of wheat. Those factors make it necessary to calculate exactly how much of any product they wish to use.

There is another very important element in this bill, namely, the amount of cotton involved. I have great respect for my good friends in the cotton trade. They have been useful generally to this country and useful to the officials of the Department of Agriculture, but I think they have been incorrect in connection with this particular matter. They have been unwise in saying that 1,672,000,000 pounds of cotton shall be shipped and that the amount shall not be reduced except as the total over-all appropriation is reduced. That amounts to 3,344,000 bales, and 3,344,000 bales are a very substantial quantity of cotton. The carry-over of cotton yesterday, or on August 1st, the day to calculate the annual carry-over, was probably in the neighborhood of five million, six or seven hundred thousand bales. If it should happen that cotton orders should be canceled, then we can see the concern with which cotton farmers might face the situation, because adding 3,344,000 bales to what is already five million, six or seven hundred thousand bales, would give us about 9,000,000 bales carry-over, and we would be in serious trouble.

Mr. President, that is important in connection with prices also, because cotton support prices, as the law now stands, will be determined by the carry-over and the relationship of the carry-over to a normal supply. If we should reduce the purchases of cotton by three and a half

million bales, and we did not export four million bales as we have estimated, then we would greatly accentuate this development of extraordinary supply, and there might be a tendency for cotton prices to drop. Not only that, but cotton quotas would be affected, and that is why we must talk plainly about it. Cotton quotas and support prices are extremely important. Therefore I can understand writing in a provision requiring that the same kinds and quantities have to be used. In other words, it is said, "If you do not take the cotton we have set forth here in just these kinds and quantities, then the money reverts to the Treasury of the United States." I think that would be extremely serious. Therefore I wish to remind my colleagues that the farmers of this country, and I think with wonderfully inspired leadership, have decided they want no part of this kind of program.

We have heard comments here about what the radio commentators and the press have said about this matter. Why not talk about what the farmer has said about it? This is supposed to help farmers. What do they say? The farmers, through the American Farm Bureau Federation, through the National Grange, and through the National Farmers' Union, have said, "This is destructive to the best interests of farmers, and we want no part of it." The farmers realize that they do not get any lasting benefit out of doing business in this way. They want to develop foreign markets, and they want to keep foreign markets, and they do not want to spoil those markets by antagonizing the people who must thereafter be their friends.

Mr. VANDENBERG. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Michigan.

Mr. VANDENBERG. Before the Senator leaves the reference he has just been making, I wonder if he would not permit me to introduce into the RECORD the two-paragraph statement made by Mr. Allan B. Kline, president of the American Farm Bureau Federation; Mr. James G. Patton, president of the National Farmers' Union; and Mr. A. S. Goss, master of the National Grange.

Mr. ANDERSON. I would be very happy if the distinguished Senator from Michigan would do so.

The VICE PRESIDENT. The Senator from New Mexico asks unanimous consent that he may yield to the Senator from Michigan for the purpose of having certain material inserted in the RECORD at this point. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The undersigned farm organizations are disturbed over an amendment to the appropriations bill having to do with ECA funds. We have supported the Marshall plan which is based on the two fundamental concepts that not until the war-torn countries of Europe effect economic recovery can stable prosperity and safety throughout the world be assured, and that European recovery must be the responsibility of Europeans themselves. Reserving the right to pass upon and approve all plans for recovery presented by the European nations, the United States has consistently demanded that formulat-

ing the plans and executing them is the primary responsibility of the participating nations.

The amendment in question abandons that principle and requires European nations to buy specified quantities of certain crops which may be in surplus here in the United States. Much as the farm organizations want to market our surplus crops, we feel that it would be a serious blunder for us to assume the responsibility of dictating to the European nations what they must buy, and thereby lessen their responsibility for consummating their plans. If they need these crops, we want them to buy them, but we do not want to see ECA funds used for purchases they do not need, and we do not want to see any lessening of the responsibility of the participating nations for executing their own plans successfully. We hope the amendment will be deleted before the bill passes the Senate.

Sincerely yours,

ALLAN B. KLINE,
President, American Farm Bureau Federation.

JAMES G. PATTON,
President, National Farmers' Union.
A. S. GOSS,
Master, the National Grange.

Mr. JENNER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Indiana.

Mr. JENNER. I believe the Senator stated the American farmer would lose his market if the proposed method of operation were not followed.

Mr. ANDERSON. No; I said that the American farmer would be faced with the possibility, if a new retrenchment program were started in any country, that his exports could be cut down, as they were in the case of tobacco by the British Government, but he would rather face that than try to compel those countries to take American tobacco and cotton whether they wanted it or not, and have the possibility of antagonizing subsequent friends.

Mr. JENNER. The distinguished Senator, as Secretary of Agriculture, has had great experience with the farmers, and I should like to ask him if he thinks that the present policy of England, with her barter system trade with Russia, whereby she is going to buy a million tons of rough grain from Russia next year, will aid and benefit the American farmer. Does the Senator think the American farmer likes that?

Mr. ANDERSON. No; I do not think the American farmer likes that, and I think there are many things going on in the world the American farmer does not like. But the signing of the international wheat agreement and the development of a friendly basis of international trade are evidences, I think, there are many things that appeal to the American farmer.

Mr. JENNER. Does the Senator think the barter system England has entered into with Russia, and the 88 trade pacts the European Marshall plan countries have entered into with Russia, are conducive to the same feeling which the international wheat agreement, by which we are trying to create friendly markets, would accomplish?

Mr. ANDERSON. No, I do not. There are many things in the British policy to which I do not fully subscribe or which I fully support. I can only control the

things which I do as a United States Senator, and contribute, as best I can, to what the United States Senate does. The experience I have had persuades me that the path proposed in this amendment is not the one to follow.

Mr. JENNER. As I understand, all these countries have laid down the specifications, have indicated their minimum requirements. If the requirements are based on the bare minimum they actually need, and we have a surplus of one of the commodities in this country, and the Government has to pay, in fact, for that surplus, and we are giving it to these countries, what possible harm could come from that kind of an operation?

Mr. ANDERSON. I have been trying to illustrate what does the harm, and I will illustrate it by another example. The statement I have made is that conditions change, and change rapidly, and it is impossible to anticipate in February of 1949 what may be the condition in January of 1950.

Let me refer again to the table of justifications on page 838, to which this whole matter is tied. At the bottom of the page is the item of pork to come from Canada. At the time this matter was prepared—and the budget was started last August, a year ago—it was not anticipated that supplies of pork in the United States would be dangerously high. But a very large corn crop, and a favorable corn-hog ratio, resulted in a situation in which we may have large surpluses of pork in the United States.

A grower testifying before the Senate Committee on Agriculture and Forestry a few days ago said that he felt that, regardless of what plan was adopted, or what supports were put into effect, hogs in the United States would drop to \$12 a hundredweight even though they have a support price of something like \$16.10. He said that the supply was going to be so great it would absolutely upset the market. Under those circumstances it would be the part of wisdom to export some pork to Europe, but under the terms of the amendment that would not be possible, because it would be necessary to adhere to what is set forth in this justification, and that makes no provision at all for the export of American pork.

I think the Administrator of ECA and his staff did the very best they could in making their estimates. They were never anxious to submit them in the first place. They calculated as well as they could, but conditions change, and they may now find it is impossible to live with those estimates, after a while. Therefore it is necessary to substitute something else.

Mr. WHERRY. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Nebraska.

Mr. WHERRY. There has been no change in the figures the ECA Administrator submitted to the Committee on Appropriations in July, from the figures submitted in February. I have been a member of the committee, and I have listened to all the evidence.

Mr. ANDERSON. I have not said there has been a change. I am saying that there may be great changes between the figures they submitted in February,

and those we may have before us by January of next year.

Mr. WHERRY. The figures they submitted in July were the figures they collected last February. They have not changed between February and July, at least, because if they have, they would have come before the committee and asked for different justifications. Here it is August, nearly September, and a new session will convene early in January. So that if the recipient countries need the things the distinguished Senator is discussing, they have them enumerated here. If they do not need them, they do not spend the money. All they have to do is come back in January and say, "We have a surplus of this product, we do not have enough of this one."

The figures certainly have not changed since I listened to the testimony of the ECA, there has been no increase in the amounts at all, and they are using figures now, in August, which they handed in last February.

I wish to ask the Senator a question. Taking the argument the distinguished Senator is making, we have to assume that there will be a change, and up to now there has not been a change. So what right does the Senator feel he has to say that the justification should not stand upon the basis upon which it has been made?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ANDERSON. Let me first answer the Senator from Nebraska.

There is nothing in the experience of the Senate in the last few months which would persuade me that it would be easy to come in and get a change in a few days. We have been spending 5 days on an Independent Offices appropriation bill that once could pass in a few hours, so delay is the order of the day.

Mr. WHERRY. Certainly not if the evidence was not any different. If the evidence was different, and there was a need for a change, then I submit to the distinguished Senator his argument might be plausible on some of these matters. But at least until the middle of August there has not been an argument made by the Administrator to change one of the justifications respecting any of the figures.

Mr. ANDERSON. I agree. But I will say that one day, sitting in the office of the Secretary of Agriculture, I received a cable saying that the British did not want any more tobacco. I could not wait 3 or 4 or 5 months to come before Congress to have a change made. I had to cancel the order for tobacco on that 1 day. I believe the distinguished Administrator, Mr. Paul Hoffman, ought to have the same opportunity to make a change.

Mr. LODGE. Mr. President, in connection with the question of the Senator from Nebraska, if we are going to freeze all these expenditures, insofar as certain favorite surplus agricultural products are concerned, should we not, in order to be consistent, freeze everything which is in the bill?

Mr. WHERRY. That is all right with me.

Mr. LODGE. Should we not do away with the ECA and make it, frankly, a hand-out?

Mr. ANDERSON. I would say to the distinguished Senator from Massachusetts—

Mr. WHERRY. I think the Senator from Massachusetts has raised a very pertinent question, and I agree with him. I agree that if a justification is made in this bill it ought to be carried out, whether it is with reference to food or machinery or what not.

The VICE PRESIDENT. The Chair has all day been admonishing Senators that he is going to enforce the rules of the Senate. A Senator can yield only for a question. The Chair has been admonishing Senators on that point in the hope that Senators would observe the admonition. If Senators are not going to observe it, the Chair will enforce the rule and take any Senator who violates the rule off his feet. The Chair is trying to enforce the rules, in order that we may make some progress. That is the Chair's duty, as he conceives it. The Chair hopes that Senators will cooperate with him. The Chair is finding it very hard to induce Senators to do so.

Mr. WHERRY. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Nebraska for a question?

Mr. ANDERSON. I yield.

Mr. WHERRY. I should like to answer the distinguished Presiding Officer's observations that if he means I am taking the floor improperly I shall endeavor to observe the rule. So I will ask the Senator from New Mexico if he will yield to me for a question.

The VICE PRESIDENT. The Chair had no reference to any particular Senator. He was speaking to all Senators.

Mr. WHERRY. Let me say in all seriousness that I respect the distinguished Senator from New Mexico. He has been the Secretary of Agriculture and speaks with authority. I deeply appreciate the information he has given to the Senate this afternoon. But I also want the Senator to know that, as a member of the Appropriations Committee, the questions I ask run to the method of appropriating money, not only the methods in the committee, but in the Senate itself. I say to the distinguished Senator that I agree with anyone who feels that the justifications should be carried down to the lower level, and that an amendment is in order, because I think that if we appropriate the total amount of \$3,628,000,000 on the basis of the justification made, there should be no objection whatever to taking the next step.

I ask the distinguished Senator from New Mexico to consider the subject of cheese. Let us say the Administrator came before the Appropriations Committee and said, "Now here is the need. We must have \$51,100,000 worth of cheese. We want ECA dollars for \$46,900,000 worth of cheese. That is what we want for cheese. We have got to have cheese." Nearly 7 months have passed since the figures were made up, so I cannot see how there will be a big change in one day, but if they do not get the

money for cheese, does the Senator believe that he should permit ECA to take that \$50,000,000 and buy perfume with it?

Mr. ANDERSON. No. I would say to the distinguished Senator I would not be in favor of giving the Administrator instructions to buy perfume with it, and my knowledge of Paul Hoffman convinces me that he would not do so.

Mr. WHERRY. The Senator is now again speaking to the ability and integrity of the Administrator. I agree with the Senator as to that. I gave the Senator an example of something which would not happen. But just the same, that furnishes the basis of an argument. I again ask the Senator: If the need does not exist for cheese, does the Senator think the Administrator should spend the money for something outside the food category entirely?

Mr. ANDERSON. That would not worry me in the slightest. I think he ought to be allowed to use his discretion.

Mr. WHERRY. Does the Senator think we should appropriate the money on that basis?

Mr. ANDERSON. Yes. I think it is a wholly different program from the ordinary programs of the departments. I may point out the argument that was made to the effect that we do not give leeway of this kind to any other Administrator. We do give it to the Secretary of Agriculture. We give him \$4,850,000,000 to use through Commodity Credit, and we do not specify any particular crop or any specified number of bushels for which he shall use it.

Mr. WHERRY. That has to do with the support prices for crops, as provided under basic law, the Steagall Act and so forth.

Mr. ANDERSON. It involves the whole use of the price-support power of the Commodity Credit Corporation. We do not say to the Secretary "You shall support 300,000,000 bushels of wheat; you shall support 1,000,000,000 bushels of corn, and so many bushels of soy beans, and if you do not support them that money reverts to the Treasury of the United States." We do not say that to him.

Mr. WHERRY. But when the Secretary comes before the Appropriations Committee he justifies his requests under the basic legislation.

Mr. ANDERSON. Yes.

Mr. WHERRY. That is the answer. The Secretary does not use such money for building battleships or something else.

Mr. ANDERSON. But, as I am trying to point out to the distinguished Senator, we justify it on the basis of specific things. We anticipate how much money may be needed for eggs; we anticipate how much may be needed for this, that, and the other thing, and then the situation may change, and we do not need it for the specified products at all, but we do need it for something different and should be allowed to so use it.

Mr. WHERRY. But it is not used to build battleships.

Will the Senator yield for one more question?

Mr. ANDERSON. I yield.

Mr. WHERRY. If the crop situation changes in Europe—and I agree with the distinguished Senator from New Mexico that it may—certainly if they do not need the crops in question, they do not need the money. That is all there is to it, is it not?

Mr. ANDERSON. Yes. That is the answer if they do not need them. But all I am trying to say this afternoon is that the limited experience I have had in trying to send foods to all parts of the earth convinces me that we need the greatest amount of freedom on the part of the Administrator. If he proves unworthy of his task, eliminate him, but while he serves, give him power to act.

I hope the Senator will indulge me while I say that early in the period following the last World War we called back into active service the man who knows perhaps more about the handling of food than anybody in the world, former President Hoover. He went on a trip around the world. As a result of his trip we changed the requirements before the International Food Board, or as then called, the Combined Food Board, of which I was Chairman. We changed the requirements of countries by substantial amounts because Mr. Hoover was able to figure out that certain indigenous supplies in the Near East that could be used for food and were not being used would become part of the world supply, so we changed the requirements in that respect.

I am not trying to say to the Senate that it should appropriate in any one particular fashion. But I say that the Senate should not tie down this appropriation to the exact amounts and quantities in the Economic Cooperation Administration budget justification.

Mr. WHERRY. One more question, and then I shall conclude. Has the Senator from New Mexico ever heard me express a doubt concerning the ability of Mr. Hoffman?

Mr. ANDERSON. No. On the contrary I have heard the distinguished minority leader speak very highly of him.

Mr. WHERRY. So as far as I am concerned I would feel perfectly at liberty to give Mr. Hoffman any privileges I would want to accord any other administrator.

Let me ask the Senator this final question: Let us say there is a justification for financial experts to go from one country to another; from the United States to another country, let us say, to learn about fiscal policies. Say the Administration was short \$1,000,000 in its appropriation. If Mr. Hoffman did not use the \$46,000,000 for cheese, does the Senator believe that we as Senators would be doing our duty if we were to appropriate the money and allow it to be used for the purpose I have just mentioned, if it were not authorized?

Mr. ANDERSON. No. I will say to the distinguished minority leader that if the project were not authorized, I think he ought to come back and consult the committees of the Congress. But if there were an emergency situation, I would certainly trust his judgment and allow

him to go ahead, and I would expect him to go ahead whether the Congress of the United States had specifically passed upon the question or not, if it were within the general category of work expected to be done.

We are talking about supplying food. The distinguished Senator from Washington [Mr. MAGNUSON] asked a question with respect to apples and pears. The people of the Scandinavian countries and various other peoples of Europe are very fond of our dried fruits. There is a small provision for dried fruits. There is also a requirement that 1,000,000 hundredweights of rosin and nearly 1¾ million gallons of turpentine be sent from our naval stores to those countries. I suggest to the distinguished minority leader that it might be possible to substitute fruits for rosin and turpentine without destroying the program. But under the language of the amendment it could not be done. The Administrator must send 1½ million gallons of turpentine and a million hundredweight of rosin. I submit that that is not good administration.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LODGE. I think I have a question which relates to that subject. Is it not true that all dollars come home eventually, and that, therefore, what we are doing by this amendment is taking a certain set of privileged individuals out of the free-enterprise system and giving them a preferred status, and letting the rest of the expenditures take their chance, on the very specious plea that this is helping business in this country? Actually, do not dollars always come home, anyway?

Mr. ANDERSON. I am not sure that all the dollars we are putting in this program will come home for a long time, but I feel absolutely certain that we must leave the language of the bill so that it will be possible in this legislation for the Administrator to go outside of any prescribed categories.

When the original hearings were held on ECA, the then chairman of the Committee on Foreign Relations was the distinguished senior Senator from Michigan [Mr. VANDENBERG]. The distinguished senior Senator from Texas [Mr. CONNALLY] was the ranking minority member of the committee. It was necessary for me to appear before that committee and testify. Representatives of many branches of the Government appeared. We testified to what we thought the countries of Europe might need over a period of 1, 2, 3, 4, or 5 years. We were questioned very closely, as the distinguished Senator from Massachusetts [Mr. LONGE] will remember, as to whether or not any meat was going to be sent to Europe in the next 4 or 5 years. It was not then contemplated that our domestic meat supplies would permit the exportation of American meat to Europe. Yet here we are, within a short period, anxious to find a market for our pork, anxious to move some fats and oils which were then scarce in the world because the surpluses are now so great that

hog prices are affected by the great oversupply of edible fats.

Mr. WHERRY. Mr. President, will Senator yield?

Mr. ANDERSON. I yield.

Mr. WHERRY. That involved export licenses, did it not?

Mr. ANDERSON. Yes; it involved export licenses. I perhaps was not too greatly in sympathy with the policy which was invoked in connection with export licenses.

Mr. WHERRY. That is what kept the supply in this country, when fats began to accumulate to a great extent.

Mr. ANDERSON. Precisely. What I want to be able to do is to say to the Administrator of ECA that when a condition like that arises he can reverse the estimates he has previously filed, and say, "I am desirous of supplying additional quantities of a substance of which heretofore has been in short supply but which is now in surplus."

Mr. WHERRY. Mr. President—

Mr. ANDERSON. Mr. President, I have taken more time than I intended, but I am happy to yield again to the distinguished minority leader.

Mr. WHERRY. The figures which have been set up by Mr. Hoffman for justification are his figures, are they not?

Mr. ANDERSON. They are.

Mr. WHERRY. They did not come from the farmers of the country, did they?

Mr. ANDERSON. No; but they were made up after careful consultation with the Department of Agriculture.

Mr. WHERRY. And they represent needs over there.

Mr. ANDERSON. They were made up on the basis of needs abroad and the ability of the American farmer to supply them.

Mr. WHERRY. This is what the Administrator says they need to buy in the United States.

Mr. ANDERSON. I do not contradict that statement. I only point out that the man does not live who can guess the ultimate need. Along comes a disaster, and the whole condition changes overnight, or a great crop turns out, and the need for certain products no longer exists, and something else is required.

Mr. WHERRY. That might happen on this side of the water. But if we did not have a surplus the McClellan amendment would not apply.

Mr. ANDERSON. That is correct.

Mr. WHERRY. It might happen across the water that they would have more than they anticipated. If so, they would not need the money.

Mr. ANDERSON. I agree with that. They would not need the money for that specific purpose, but there might be another purpose, and it might be just as important to serve that purpose as it was to serve the need for rosin and turpentine.

Mr. WHERRY. It might be completely foreign to the estimates which were made at the time the approval of Congress was obtained.

Mr. ANDERSON. I would not say that it would be foreign.

Mr. WHERRY. If it were included in the \$3,628,000,000, the Senator would say that it would not be foreign?

Mr. ANDERSON. That is correct.

Mr. WHERRY. It is said that dollars always come back. I appreciate the Senator's answer that they do not always come back. If they do, at least some of them do not come back for a long time.

I should like to ask a question about meat. Let us assume that Great Britain did not buy the meat set out in the justification, but used her own dollars, or ECA dollars which she was not spending in this country in order to continue her economy, and made a barter arrangement with Argentina under which products Britain produced were bartered for meat, which has actually been done. Would those dollars come back to the United States during the life of that trade agreement?

Mr. ANDERSON. I do not think they would.

Mr. WHERRY. Is that a healthy condition for the farmer of the United States who is raising beef?

Mr. ANDERSON. I warn the distinguished minority leader that I am not an expert on foreign relations, but that does not change my fundamental viewpoint in the slightest.

Mr. WHERRY. Does the Senator believe that the British should still buy beef from Argentina?

Mr. ANDERSON. I have some reservations on the question of buying beef from Argentina. I do not think that is wholly bad, because it may change another international situation. We may be able to supply something else.

Mr. WHERRY. At the expense of the cattlemen of the United States.

Mr. ANDERSON. I have had occasion to talk to a few cattlemen who are not entirely broke, and have not been. I do not believe that the effect of the Argentine export trade is as great as some would lead us to believe.

Mr. WHERRY. The Senator is not now speaking for the cattlemen of the country. He does not mean to say that they are happy about the agreement between Argentina and Great Britain with relation to the exchange of beef, does he?

Mr. ANDERSON. No. The Senator from Nebraska recognizes that there has long been a question as to that argument.

Mr. CHAVEZ. Mr. President, will my colleague allow me to propound a question to the Senator from Nebraska?

The VICE PRESIDENT. It can be done only by unanimous consent. Is there objection? The Chair hears none.

Mr. CHAVEZ. The question I should like to propound is this: I am a little confused by the debate between my colleague and the Senator from Nebraska. As I get the point of the Senator from Nebraska, if so much money has been justified for the purchase of cheese, it is his idea that it should not be used for any other purpose.

Mr. WHERRY. That is correct.

Mr. CHAVEZ. Am I to understand from the Senator from Nebraska that if we allow this money to buy cheese, and Great Britain and the other countries do not want cheese, they can buy Argentine beef?

Mr. WHERRY. They can use it for anything they choose for which ECA funds are authorized. I certainly think that would include meat, if the position of the opponents is correct.

Mr. MAGNUSON. Mr. President, most of the afternoon has been consumed by arguments on the proposed amendment, rather than on the point of order which will be made. I had intended to make some remarks opposing the amendment on its merits, should it not be removed from the bill by means of a point of order, because throughout the agricultural commodity producing areas there is a great deal of opposition both to the amendment originally proposed by the Senator from Arkansas, and to the amendment now proposed, mainly for the reason that it is felt that regardless of how we consider either the original amendment or the revised amendment, they serve the same purpose and have the same intent, namely, they merely freeze a portion of the ECA funds for the benefit of a certain group of producers of agricultural products, and they tie the hands of the Administrator in such a way as to prevent him from making proper changes to take care of agricultural surpluses which may develop in other products, which are not set forth in the justifications. All the farm organizations, all the people to whom I have talked, all the horticultural interests, and other interests in the State of Washington and throughout the Pacific Northwest, are in opposition to this proposed amendment. They believe that under the present wording of section 112, in which certain amendments were placed at the last session of Congress to take care of other products—and I myself offered one of them—the ECA has adequately handled the situation, and those provisions have proved satisfactory and sufficient to give the Administrator authority to make the necessary adjustments from time to time, not only as to particular commodities, but as to types and grades, in the case of agricultural products which may become surplus in the United States. They feel that the act should remain as it is; that this amendment, if adopted, would be detrimental and, in effect, would restrict the operations under the program to the comparatively few items listed in the justifications.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator from Washington whether the present act prevented Britain from using ECA funds to buy cheese in Canada at a time last year when cheese was declared by the Secretary of Agriculture to be in surplus supply in the United States.

Mr. MAGNUSON. No; the present act did not.

Mr. WHERRY. The present act contains no enforcement provisions, I am sure the Senator from Washington will agree. The act contains no penalty, no provision of a means by which to enforce its provisions. I agree with the Senator from Washington that there is an admonition, but the act provides no way to enforce it; does it?

Mr. MAGNUSON. I agree that there is no way to enforce it. I do not think Mr. Hoffman could be put in jail or could be fined or could be removed from office, unless we felt he had broken the law.

Mr. WHERRY. In the case of cheese, it was not adhered to.

Mr. MAGNUSON. I did not know about that.

Mr. WHERRY. Does the Senator from Washington know about the purchase of 55,000,000 bushels of wheat in Canada in the last quarter of last year?

Mr. MAGNUSON. I know of several purchases of wheat. As to some, I agree; and as to others, I disagree.

But if we attempt to write into a legislative measure, provisions in regard to what should be done in each particular case, particularly if such provisions are attempted to be restricted to the items mentioned in the justifications, I am sure we shall do an injustice to other items which it might be desirable to have handled according to the discretion of the Administrator.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. MAGNUSON. I yield.

Mr. WHERRY. I was not directing my question to how the Senator felt about writing into the bill any requirements under the McClellan amendment. I was directing my question to the basic act which was passed. The provisions of the act did not prevent the Administrator from purchasing in Canada 55,000,000 bushels of wheat in the last quarter of the fiscal year 1949, when wheat had been declared surplus in the United States.

Mr. MAGNUSON. I do not think the act prevents him at all.

Mr. WHERRY. No. So, I may say to the distinguished Senator, there is nothing in the basic act, and there is nothing in the amendment, that does anything except admonish the Administrator that, if crops are surplus, he should buy the surpluses with ECA dollars. The McClellan amendment effectuates the basic act. It says that with the amounts now requested for wheat, wheat shall be purchased in the United States, when it is declared surplus, and when otherwise justified. So I simply want to call to the attention of the distinguished Senator, for whom I have the highest regard, the fact that the McClellan amendment is necessary in order to effectuate the basic act, in line with the observations which were being made by the distinguished Senator from Washington.

Mr. MAGNUSON. I do not think it is necessary at all. I think it is very restrictive. I know the argument about buying the wheat. It may be that too much wheat was allowed to be bought, and it may be that too much cheese was bought in Canada. But I know that the farmers in my community must also have a domestic market and that the people in Canada must be able to sell some of their products in order to buy American products. I know the countries of Europe must be able to sell products among themselves, otherwise their whole economy will fall.

The amounts involved may perhaps call for a reprimand of the Administrator, or for a change in his viewpoint, but

I say the amendment is an attempt to take a certain group of products and, whether the countries need them or not, to require the Administrator to freeze those products and ship them to those countries. Naturally, they are going to take them. If we are going to do this in respect to the whole bill, as the Senator from Massachusetts pointed out, then why not restrict all the products? Why not have the McClellan amendment made sufficiently broad to apply to all products, abolish the ECA, pass the bill, and ship everything to Europe?

Mr. WHERRY. That is, the Senator feels that all we should do is to appropriate the total amount and let the Administrator use his own judgment as to what he should do with the money; is that correct?

Mr. MAGNUSON. I think that must be done, to make the plan work. Mr. President, not to take any further time of the Senate, I ask unanimous consent that the remainder of my remarks on the amendment be placed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

STATEMENT BY SENATOR WARREN G. MAGNUSON
IN OPPOSITION TO ECA AMENDMENT FREEZING
FUNDS FOR SURPLUS AGRICULTURAL PRODUCTS

Mr. President, on pages 4 and 7 of the pending bill, H. R. 4830, the following language appears: "90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing."

This differs somewhat from wording in the original bill reported by the committee. The intent, however, is unchanged. In my judgment, therefore, all of the arguments against acceptance of the former committee amendment applies with equal force to this provision.

Various estimates have been made as to the amount of ECA funds this provision affects. Those estimates range from one to one and one-half billion dollars. The effect of the amendment is to freeze from one to one and one-half billion dollars. If adopted, this amendment would prohibit the Administrator from using that amount for any purpose whatsoever other than "To finance agricultural products declared surplus by the Secretary of Agriculture of the kinds and in the quantities set out in the ECA budget justification submitted to the Senate."

The committee has attempted to circumvent the objection previously raised by the Senate, namely that this is a legislative provision in an appropriation bill. In my judgment the committee has not been successful. It is the same old customer in a new dress.

The use of the funds I have referred to would be restricted in amounts to those products set forth in the justification ECA presented the Senate Appropriations Committee.

In those justifications, ECA listed under food and agricultural imports the following items: bread grains, fats and oils, sugar, meats, dairy products, other foods, coarse grains, protein feeds, fertilizer, cotton, wool, other fibers, tobacco, and other agricultural products. You will note there are three catch-all categories in this list: Other foods, other fibers, and other agricultural products. The justification indicates that ECA estimates purchases of these commodities in fiscal 1950 will total \$1,874,000,000 and that of this amount \$1,673,000,000 will be spent in the United States.

We know from past experience, Mr. President, that the products included in the ECA justification most likely to be in surplus are the following: wheat, corn, tobacco, and cotton. These are what we might call the Big Four products. In my judgment it will be very detrimental, not only to the ECA program, but to all other agricultural products to give cotton, tobacco, wheat, and corn the extremely preferential treatment implied in this amendment.

I recognize there is a growing sentiment in this country for congressional action which will serve as a directive to the ECA Administrator, forcing him to in turn force Marshall plan countries to buy in the United States whenever a domestic product is in surplus. To a considerable extent this sentiment is understandable. Taxpayers of this country are providing ECA dollars, out of their pockets, and have a right to expect that maximum attention be given domestic economic conditions and to the plight of any particular industry.

In the Pacific Northwest, for example, the lumber and horticultural industries are in urgent need of export outlets. They are hard hit by the world-wide dollar shortage. They justifiably look to ECA, not only for sympathetic treatment, but for positive action. To date they have been granted a sympathetic ear but little by way of positive results has been forthcoming.

The ECA Administrator is a competent businessman, one of the best our free-enterprise system has produced. Like any good businessman, he is trying to obtain the maximum return for every dollar he spends. In this case he is buying European recovery with the taxpayers' dollars made available to him. His efforts in this regard are laudable, but I believe he must give increasing attention to the problems of those American industries which have a historical reliance upon exports—industries which are contributing their share of the tax dollars the Administrator is spending for European recovery.

Senators know I have taken this floor on many occasions to present as forcefully as I know how, the problems presently confronted by the horticultural industry of this country. Let me repeat just a few of the facts I have previously presented. Prewar the apple growers of the Pacific Northwest consciously and systematically developed foreign markets. The whole industry is geared to exports. Approximately 30 percent of the total apple production was purchased by countries now participating in the Marshall plan. Today the dollar shortage has closed those markets. The only opportunity the industry has to reenter them is through participation in ECA. Last year only \$9,600,000 was spent by ECA for fruits, other than dried fruits. The justification presented to the Senate Appropriations Committee this year includes only \$9,400,000 for these fruits. That \$9,400,000 includes canned fruits, juice concentrates, and fresh fruits. This is a mere drop in the bucket compared to prewar exports.

Before the war, exports of the United States horticultural products ranked first in all United States food exports and third in all agricultural exports. Exportation was exceeded only by cotton and tobacco. In fourth place came wheat and flour. From these facts, it is readily understandable why I feel compelled to oppose the amendment. The amendment would virtually foreclose any possibility of the horticultural industry reentering its foreign markets on a basis even approaching prewar levels.

This industry, which prewar, ranked first on the list of all food exports, would be relegated to insignificant participation in the ECA program.

That the horticultural industry faces an extremely difficult problem has been recognized by ECA, Department of Agriculture, the Senate Appropriations Committee, and the Senate itself. Senators will re-

call that other Senators and I sponsored an amendment to this year's authorization act, directing the Secretary of Agriculture to determine surpluses of horticultural products by "types, classes, and specifications." The objective of this amendment was to give the Secretary authority to take cognizance of the fact that the industry over the years has developed varieties of apples and pears, for example, peculiarly suited for the export trade. By virtue of the amendment, the Secretary can find that a surplus of export varieties exists, even though the entire crop may not be in excess of domestic requirements.

By adopting this amendment, the Senate gave recognition to the somewhat unique position of this industry. Later the industry presented its problem to the Senate Committee considering the agriculture appropriations bill. On page 13 of its report, the committee stated: "The committee recognizes the unique position and need of this industry, arising from the temporary loss of long-standing export markets and the inability of the fruit grower to reduce production without destruction of trees and tragic loss of capital investment in packing and other facilities."

The lumbering and horticultural industries have urged other Senators and I to offer amendments to this bill which would earmark certain funds for purchase of their products or, as an alternative, to offer an amendment which would direct the Administrator to force ECA countries to purchase lumber and horticultural products in this country exclusively, whenever there is a surplus.

I have refrained from taking such action. First, because as I have said before, I believe the Administrator is a sensible competent businessman. He knows American industry, and within the framework of existing legislation has authority to handle these problems administratively. The European recovery program is a highly complex venture. The Administrator must have flexibility if he is to do the job the Congress and the country want him to do. I serve notice here and now, however, that unless greater attention is given by ECA representatives abroad to our domestic problems, I shall be among those supporting legislation requiring them to do so.

Second, I have refrained from sponsoring such amendments at this time because I believe it inconsistent to oppose the amendment I read at the beginning of these remarks and simultaneously sponsor an amendment earmarking funds for some other product. I believe all segments of our great agricultural industry should be placed on an equal footing. All segments of the industry should have equal opportunity to present their case to the Administrator and he, in turn, to the countries which are beneficiaries of this great venture.

Before concluding I wish to call your attention to several other facets of the problem I have been discussing. The horticultural industry and, in fact, all industries relying on exports, view with great alarm the many bilateral agreements which have been, and are being, negotiated by nations participating in ERP. Unless this tendency is reversed some United States commodities, like fruit, may be permanently excluded from normal European markets.

I recognize, Mr. President, this problem goes beyond the jurisdiction of ECA. I believe, however, that the Administrator and his representatives abroad can do much to counteract it. Certainly the attempt should be made.

Today ECA is the dominating influence in international trade. Without participation in that program, reestablishment and further development of the horticultural industry's European outlets is impossible. The same is true of other segments of agriculture

who consciously and systematically developed foreign markets in the prewar era. Congress recognized the truth of these statements by including section 112 in the Economic Cooperation Act itself. This section authorizes the Secretary of Agriculture to use section 32 funds to aid in the reestablishment of export markets for perennial horticultural crops and others, which may be declared surplus to our need.

The Administrator, by cooperating with the secretary in such an export program, can obtain for participating countries agricultural commodities at 50 percent of total cost. For some reason ECA has not taken full advantage of this very attractive program. I believe much greater use can and should be made of section 112. Here is another instance where Congress has given the Administrator an effective tool to work with, a tool which should be placed in the kit of all of our ECA representatives abroad, and used.

I think it would be appropriate for the conferees in their report to include language along the lines implied in these remarks—language which would serve as a guide to the Administrator, when he is attempting to determine congressional intent through study of the legislative history of this bill. I urge those Senators who will represent this body at the conference table to give serious consideration to this suggestion.

Mr. President, for the reasons stated in these remarks, I oppose the amendment which appears on pages 4 and 8 of the pending bill. I gain I want to make it clear, however, that unless greater attention is given to the problems of domestic industries by the Administrator, his representative abroad, and the countries participating in ERP, I shall be among those sponsoring legislation making such action mandatory.

Mr. MAGNUSON. Mr. President, in view of the importance of this matter, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Millikin
Anderson	Hill	Morse
Baldwin	Hoey	Mundt
Brewster	Holland	Myers
Bricker	Humphrey	Neely
Bridges	Hunt	O'Connor
Butler	Ives	O'Mahoney
Byrd	Jenner	Pepper
Cain	Johnson, Colo.	Robertson
Capehart	Johnson, Tex.	Russell
Chapman	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schoeppel
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Donnell	Kilgore	Sparkman
Dulles	Knowland	Stennis
Ecton	Langer	Taylor
Ellender	Lodge	Thomas, Okla.
Ferguson	Long	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Vandenberg
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McGrath	Wiley
Green	McKellar	Williams
Gurney	McMahon	Young
Hayden	Magnuson	
Hendrickson	Maybank	

The VICE PRESIDENT. A quorum is present. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, I rise for the purpose of making a point of order against the committee amendment requiring that a large portion of the ECA appropriation be expended only for surplus agricultural products. I should like to have it understood that in making the point of order against the amendment, which was offered by the distinguished Senator from Arkansas [Mr.

McClellan], and reported by the Appropriations Committee, it is in no wise to be construed as a personal effort on the part of the Senator from Illinois to do something which he does not conscientiously believe he should do, under the rules of the United States Senate.

As the Senator from Tennessee, the able and distinguished chairman of the Appropriations Committee, knows, I have a very deep and abiding affection for him and great respect for all the valuable work he has done over a long period of time as one of the able Senators who have been Members of this body. But, Mr. President, I believe and very deeply feel that the preservation of the integrity of the rules of the United States Senate is extremely essential. I know some Senators are probably thinking that no particular protest has been made against certain legislation contained in the bill as it came from the House of Representatives or against certain other legislation, possibly of a trivial character, which may have been reported by the Appropriations Committee; but no one can gainsay that this particular amendment is of sufficient importance that a point of order should be made against it, and let the Chair determine whether it complies with the rules or is in violation of the rules of the Senate. If Senators are not satisfied with the ruling of the Chair, they may, of course, under the rules, take an appeal from the decision of the Chair.

Mr. President, it is my firm opinion that this amendment is not only legislation on an appropriation bill, but that it also violates rule XVI as a restriction which is to take effect upon the happening of some contingency. I wish to read the rule as more or less of a foundation for the final conclusion I desire to make.

Paragraph 2 of rule XVI is as follows:

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency.

Mr. President, the Senator from Illinois contends that this amendment violates both phases of the rule which I have just read.

Last week the distinguished Vice President ruled that the so-called agricultural amendment, which was attached to the original H. R. 4830, was legislation upon an appropriation bill. In order to make the record I should like to read the amendment first. It was as follows:

\$3,628,380,000, of which (1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing.

That amendment was held by the distinguished Vice President to be legislation on an appropriation bill.

The bill went back to the committee, and the committee reported an amendment which seeks the same objective, but attempts, through the process of a

limitation, to so comply with the objection raised that it could be discussed and voted upon on its merits, rather than require the application of the two-thirds rule. The amendment is as follows:

\$3,628,380,000, of which (1) 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall not be available for any other financing.

The amendment now before the Senate earmarking funds for procurement of agricultural surpluses at 90 percent of the ECA budget justification differs from the amendment which was referred back to the committee as legislation on an appropriation bill in only two respects. First, the new proposal specifies 90 percent instead of 100 percent of the budget estimates, and, second, instead of making funds available only for such financing—and I stress the word "only"—it is phrased so as to make them not available for financing of any other quantities.

Mr. President, this is a difference in form only. In my humble judgment, it is a distinction without a difference. Instead of going east, we go west. It is the same old face with a new dress. The substance and effect remain the same. What the proponents of the amendment sought to do affirmatively in the first instance, which was held legislation on an appropriation bill, they now seek to accomplish in a negative way.

Mr. President, what is legislation? Legislation is official action by Congress which creates new duties and obligations. Any official act which reverses or replaces the duly enacted laws of Congress is legislation. In other words, a policy established by law can be changed only by additional legislation.

The Senate rules referred to are intended to protect the established procedures of Congress. Congressional action which would substantially change the laws of the land or policies followed by the Executive under existing laws should be thoroughly considered by the legislative committees of Congress. This consideration is assured by the rules of the Senate which prevent legislation from being placed upon an appropriation bill.

The reason for the two-thirds rule, which must be invoked before legislation can be placed on an appropriation bill goes back to the very fact that each and every committee of the Senate constituted as a legislative committee should be the judge of legislation, and important legislation such as that now under discussion should be considered by a legislative committee. In other words, this amendment should have been considered by the Committee on Agriculture and Forestry of the Senate in the first instance because it directly pertains to agricultural products.

Now, Mr. President, let us consider this committee amendment, keeping in mind both the meaning of legislation and the purpose of this rule. This amendment makes new law. It creates new duties and obligations with which the adminis-

trator must comply. In effect, it repeals expressed provisions of the Economic Cooperation Act.

Section 112 (d) of the Economic Cooperation Act of 1948 which deals with surplus agricultural commodities clearly states that "in providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the administrator shall insofar as practicable and where in furtherance of the purpose of this title, give effect to the following"—

In other words, the relief of American agricultural surpluses is clearly made subordinate to the basic purpose of the act, the meeting of the European recovery requirements. This amendment reverses this principle, and constitutes a fundamental change in the legislative intent. It is clear that the basic legislation envisaged even in the case of especially considered surplus agricultural commodities was not a law to relieve American agricultural surpluses, but an act to promote European recovery. This provision would shift the emphasis from fostering European recovery to providing special treatment for particular American agricultural surpluses. The inevitable result would be to change the nature of the program, imposing new duties and obligations upon the administrator, which are entirely different from those prescribed in basic law.

In other words, the broad discretionary authority of the Administrator under existing law would be circumscribed by this amendment, which sets forth new obligations and duties which the Administrator must follow. Can anyone doubt that a positive policy of action is laid down in this amendment? If so, it is obviously new legislation, even though in a negative way.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LUCAS. I should like to finish my statement, if I may.

Mr. McKELLAR. Very well.

Mr. LUCAS. Mr. President, the question of placing legislative amendments on appropriation bills has arisen on several occasions in the House of Representatives. The decisions of the chair in several instances where this occurred are very illuminating. On October 4, 1925, this question was ruled upon in the House of Representatives. The Chair made these comments:

A limitation may be placed upon an appropriation bill but it must be a limitation only. It must not in effect change existing law.

He also stated:

In the final analysis the question is: Does the program carry matter, the effect of which is to change existing law, to make it unlawful, to do that which before was lawful?

One of the clearest statements on this question was made by the distinguished senior Senator from Texas when he was a Member of the House of Representatives in 1923. The statement is to be found in Hinds' Precedents, page 614, precedent No. 1606. On January 19 of that year the distinguished Senator from Texas, who was then a Member of the

House of Representatives, rose and made this comment on the question of limitations:

A limitation must be absolutely negative. It must be in the nature simply of a veto. It cannot direct the executive officer in the discharge of his duty under existing law. Whenever it does, it ceases to be a limitation and becomes legislation in violation of the rule.

The distinguished Speaker of the House at that time, as will be found on page 615 of Hinds' Precedents, precedent No. 1606, took the liberty to quote what the Senator from Texas had said upon the question at that particular time, and incorporated it in his opinion.

On January 6 of 1923, the same question was raised again in the House. In this instance the Chair in ruling in favor of a point of order made the following statement:

Without endeavoring to lay down a hard and fast rule, the Chair feels the following tests may be helpful. * * * Is the limitation accompanied or coupled with a phrase applying to official functions and, if so, does the phrase give an affirmative direction in fact or in effect although not in form?

Mr. President, it was held to be legislation by the distinguished Presiding Officer of the House of Representatives at that time. The case before us is identical in that it gives an affirmative direction in a negative way. The Presiding Officer of the House of Representatives said that even though it was in negative form, nevertheless positive and permanent relief was sought. They were seeking by indirection what they could not do directly. Every lawyer knows the rule of law with respect to what I have just stated.

I continue to read from the ruling of the Presiding Officer in the House.

Is it accompanied by a phrase which might be construed to impose additional duties or permit an official to assume an intent to change existing law?

There should be no doubt in anybody's mind that this amendment is legislation. As I stated earlier, the proposal before us would create new obligations and duties. It would curtail or modify existing powers and duties. It would definitely terminate old ones.

Mr. President, under the existing law the Administrator of this fund has unlimited and discretionary power, and the moment we tie him by this sort of a limitation, telling him what he can or what he cannot do, we change the basic law and change the duties and the obligations of the Administrator.

Mr. President, the clear intent of Rule 16, as I have said earlier, is to assure thorough consideration by legislative committees of actions which would reverse programs and policies established under the law. If this purpose could be circumvented by merely stating an amendment in the negative, the rules of the body will become meaningless. From now on an important amendment to an appropriation bill can be phrased in the negative way. By framing it in the negative fashion, and seeking affirmative relief Senators will ask that it be classified as a limitation upon an appropriation.

On the other point of order with respect to the amendment being a restriction involving a contingency, I have this to say: I have read the rule.

In order to determine whether or not an amendment falls under this prohibition, consideration must be given to two factors. First, is the restriction which the amendment would impose not authorized by law? Second, is the restriction to take effect or cease to be effective upon the happening of an uncertain event? The pending amendment falls squarely under this prohibition.

The restriction contained in this amendment is not authorized by law. Nowhere in the Economic Cooperation Act is there a requirement that the Administrator must expend funds for the purchase of agricultural products in determined quantities and kinds, as is set forth in the amendment, and as set forth in the justification sheet which has been placed in the RECORD as an exhibit by the distinguished Senator from Arkansas. In fact, as I said before, and as I now repeat, under the basic law the Administrator is given a broad discretion.

It has been argued back and forth by the Senator from Nebraska [Mr. WHERRY] and other Senators that the Administrator has too much discretion under the original basic act, and that the reason they are submitting the amendment is to curtail that discretion. When the discretion of the Administrator provided for under the basic act is curtailed or limited by an amendment, his duties and obligations are limited, and therefore it becomes legislation upon a bill dealing with appropriations.

Our next inquiry must be, "Is this restriction to take effect or cease to be effective upon the happening of a contingency?" The answer to this inquiry is clear. The restriction contained in the amendment becomes effective only providing there are surplus agricultural products in the quantities and kinds referred to in the amendment.

In the exhibit presented by the Senator from Arkansas, there are 14 different contingencies involved. In other words, the ECA finances and the United States purchases are set forth. For example, bread grains, fats and oils, sugar, meats, dairy products, other foods, and so forth. All told there are 14 different categories. There must be surplus commodities in each one of these categories before the Administrator can act.

It has been said, Mr. President, that some of these products are in surplus today. That may be true. But what is in surplus today may not be in surplus tomorrow. The argument has been made over and over again before the Senate this afternoon that this kind of restriction limits the obligations and the duties of the Administrator by telling him exactly what kind of surplus commodities he can purchase, leaving apples and pears and other agricultural commodities completely out of the question. In other words, that would change his duties and obligations completely. That is the kind of a contingency that exists here with respect to each and every one of the commodities in question.

The contingent nature of this restriction becomes perfectly clear once we consider the true intent of the amendment. It is intended that ECA funds shall be channelized into the purchase of specific products. That this is its true intent is made clear by the fact that the recovery program is penalized if these funds are not expended for this purpose. If they are not so expended they will be taken away entirely from the ECA.

That is one of the purposes of the amendment, as was stated this afternoon. In other words, the Senator from Arkansas said that if there is no surplus in bread grains, the money appropriated for the purchase of bread grains returns to the Treasury, making it impossible for the Administrator to spend that money on any other commodity which might be in short supply.

The restriction which this amendment contains is one which in intent and purpose provides that a large and substantial portion of the ECA appropriation shall be expended for surplus agricultural products. Whether or not the intent and purpose of this amendment will be given effect is dependent upon whether or not there will be certain agricultural products in surplus. If such products are not in surplus this restriction in its proper sense does not become effective. In my opinion there is no escaping from the conclusion that this amendment amounts to a restriction not authorized by law to become effective upon the happening of a contingency.

It is not an answer to say that there is not a contingency for the reason that certain agricultural products have already been declared surplus. As I have said, what is surplus today may not be surplus tomorrow. Assume that a war were to break out tomorrow. There would probably not be a surplus in any crop which had been declared surplus by the Department of Agriculture up to now.

The word "contingency" has been used in legal terminology for centuries. Its meaning is perfectly clear. A contingency is an event which is uncertain. It is the opposite of that which is absolutely certain to occur. We have no assurance that any particular product will remain surplus or will be declared surplus. The declaring of agricultural items as surplus by the Department of Agriculture is beyond a doubt a contingency within the meaning of this section.

Mr. President, for the two reasons which I have submitted, I contend that this amendment is legislation upon an appropriation bill, as well as a restriction, in violation of rule XVI, section 2, involving a contingency, and that the point of order should be sustained.

Mr. McKELLAR. Mr. President, to demonstrate that this is not new law, I wish to read from the ECA Act itself, which was passed in April 1949. This is the language of it:

(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator—

That is the ECA Administrator—shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic

requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

Again:

(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 percent of such sales price as authorized by subsection (f) of this section.

I have read that language to demonstrate to the Senate that what is proposed by the McClellan amendment is simply to carry out that law. It is not in derogation of the law. The purpose is to make the law effective. Therefore the Congress has a perfect right—indeed, it is the duty of the Congress—to fix a limitation on the money which is appropriated, so that the will of the Congress, as expressed in the law enacted by Congress and signed by the President, shall be carried out. Is not that good sense?

Mr. President, I am not much of a parliamentarian; indeed, I am a very poor parliamentarian; but if ever a Congress declared what it wanted an administrative official to do, Congress has done so in this instance so far as farm surpluses are concerned. Are we going to disregard what we have done before? Are we going to disregard the law? It is not a new law. It has been on the books for more than a year. The purpose of this amendment is to carry out the law, to make it effective.

This amendment is a limitation, pure and simple, on the money which is appropriated for a certain purpose. So, Mr. President, without going into the matter further, I express the hope that the Chair will hold that this limitation is simply a limitation on an appropriation bill, as specifically provided by the law, and that we may make the law effective by such a limitation upon the appro-

priation. In my judgment it ought to be done.

The VICE PRESIDENT. Are there any further arguments on the point of order?

Mr. McCLELLAN. Mr. President, I can add very little to what the able Senator from Tennessee has just said. I contend that this amendment would go into effect the minute the bill was passed. It would not await the happening of any contingency, because the surplus already exists. The amendment would immediately go into effect. It is not dependent upon the happening of some contingency. Certainly if there were no surpluses already declared, the existence of a surplus would be a contingency. But I ask Senators to examine the amendment. It goes into effect, and the money is restricted, when the bill is passed. There is no contingency which is about to arise, or which may some day arise, because the condition now exists. We are legislating in regard to a condition, not in regard to some future contingency. I submit that the contingency argument in reference to that part of the rule is not tenable.

As the able chairman of the Appropriations Committee has said, the amendment constitutes a limitation to make certain that the legislation which Congress already has enacted is enforced by means of withholding the money from use for any purpose except the one for which Congress has provided in the basic legislation that the Administrator shall use the money.

Mr. WHERRY. Mr. President, I should like to make one observation. I shall not dwell at all on the contingency argument.

I wish to speak about the observation the majority leader made relative to the fact that the McClellan amendment restricts the over-all authority of the Administrator which is provided in section 112 (d) (1). My contention is that it does not. I contend that the act admonishes the ECA Administrator as to what he shall do, but the McClellan amendment simply provides an effective way by which the act shall be carried out, and is not a limitation.

The paragraph reads as follows:

(1) The Administrator shall authorize the procurement of such surplus agricultural commodity only within the United States.

That is what the Administrator is directed to do. If there is a surplus, the ECA dollars are supposed to be spent in this country for that surplus agricultural product. That is the condition under which this law has been written. That is the safeguard which was placed in this act. It could apply to various commodities, including machinery, if that were desired. It is not limited to agricultural products. I think the Administrator should spend the amount of money which is justified for the purposes for which the money is appropriated. The money should be spent for those purposes, and for no others.

Let us consider the practical effect of the McClellan amendment, as I understand it. The Senate knows that the Foreign Aid Act, as I have just mentioned it, and as pointed out by the Sen-

ator from Illinois, contains a provision which seemingly requires the use of ECA dollars for the purchase of surplus agricultural commodities. It relates only to surplus commodities. If there is no surplus, to my mind there is no contingency; and if there is no surplus, the McClellan amendment does not apply. But if there is a surplus, the basic act requires that the Administrator shall purchase the surplus from the farmers of the United States with the ECA dollars. However, no means of enforcement is provided in the act.

So, Mr. President, a careful reading of section 112, paragraph (d), and of section 112, paragraph (d) (1) convinces me that for all practical purposes in the act there is no guarantee that surplus agricultural commodities will actually be purchased with ECA dollars when the situation arises that we have surplus agricultural commodities in this country.

Let me illustrate my point specifically. Since the colloquy this afternoon, I have assembled the facts in regard to a recent instance which, in my judgment, has not received public recognition. The ECA authorized Britain to use \$10,000,000 of ECA funds for the purchase of cheese in Canada during the last fiscal year. Following that authorization, cheese was declared surplus in the United States. As I understand section 112 of the authorization act, that declaration should automatically have brought that provision into full effect. If the provision means what it says, immediately the ECA should have seen to it that that money was used to buy cheese in the United States. But what actually happened was that Britain made arrangements to buy the cheese from Canada without the use of ECA dollars, and then the amount of ECA dollars previously authorized for the purchase of cheese was used by Great Britain for other purposes. That is exactly what happened.

So the intent of Congress in the basic law, which the distinguished Senator from Illinois has mentioned, was bypassed and circumvented. Instead of using the money to purchase the surplus cheese in the United States, Great Britain refused to buy cheese in the United States, but bought the cheese in Canada. Great Britain used her own money for that purpose, but used the ECA dollars for some entirely different purpose. That is exactly what happened.

All the McClellan amendment provides, in effect, is that if Great Britain needs the cheese—\$49,000,000 worth, this time—there will be an effective way by which the basic law will now be carried into operation, namely, in the case here mentioned, the money allocated on the basis of the justification will have to be spent by the Administrator in the United States of America for cheese, and Great Britain cannot buy cheese elsewhere and then use the ECA funds for something else.

In the case to which I have referred, the United States ECA dollars which should have been used to buy United States cheese, were diverted to other purposes for the benefit of Great Britain, not for the benefit of the American dairymen or the American taxpayers,

whose interests we thought we had protected in the basic ECA act.

Mr. President, what I say about this matter goes as well for every other authorization justified in connection with the ECA Act of last year, whether it be as to cheese, machinery, or something else. This amendment would apply to anything. It does not have to be limited in application to agricultural commodities, but it can be applied to anything covered by the bill.

As I see it, the McClellan amendment seeks in the most effective way possible to remedy this situation. Unless we are prepared to include in the bill a limitation on the use of ECA funds in the procurement of agricultural products which may become surplus in the United States—and, in fact, some of which are now in surplus—the United States farmer, the United States dairyman, and the United States taxpayer will suffer.

If the countries of Europe really need these commodities—although the opponents of this amendment make me a little suspicious that the countries of Europe do not need them—then why in the world do not those countries get these commodities in the United States with the ECA dollars we provide? The ECA dollars are our dollars, and the commodities are our commodities. Under the amendment, the countries of Europe will receive what they really need. I fail to see how anyone will be harmed by the amendment.

Defeat of the McClellan amendment will be a blow to the American farmer, Mr. President, and will be a blow he will not like. However, when the McClellan amendment is offered to help the American farmers get a fair share of the ECA funds, technicalities are raised; but they can only have the effect of injuring the American farmers and the American taxpayers, because if the foreign countries do not need this money, it should not be appropriated, but should be returned to the United States Treasury. If the participating countries do not need \$51,000,000 worth of cheese, why should we justify the expenditure of ECA funds for the purchase of cheese and then permit the foreign countries to buy cheese in other countries and use the ECA money for other purposes?

Mr. President, I wish to answer the argument which has been advanced as to bilateral agreements, for instance, bilateral agreements with Russia for the purchase of coarse grains, and bilateral agreements with Argentina for the purchase of beef, with the result that ECA dollars are used to the detriment of the American producers of beef or grain. Even though American producers will be hurt in those ways unless we make provision to prevent it, some persons are reluctant to raise a hand to see to it that the ECA funds we provide are used for the benefit of American producers of commodities which are in surplus supply in the United States.

Of course Britain is very eager to get all the ECA dollars she can get. The amendment stipulates that if a participating country needs a given commodity, and if the commodity is in surplus supply in the United States, the participat-

ing country must buy it in the United States or else that country cannot use those ECA dollars for some other purposes. This is the crux of the whole issue, not only with respect to cheese or other foods, but with respect to every justification in the entire appropriation bill. The issue is just as simple as I have now stated it. I am satisfied that when this situation is made plain, the American farmers will understand it; and they will know where to place the blame as agricultural surpluses continue to pile up in this country and as prices go down and as the participating countries buy such products elsewhere, and then divert the ECA dollars to other uses.

Mr. President, as I have said, I shall not discuss the contingency proposition. Of course that argument could be made against general legislation at any time. It could be made against the entire bill, if that were desired, because the whole bill is predicated upon certain contingencies. That argument could have been raised against any of the appropriation bills, including the independent offices appropriation bill, in which there were at least 20 amendments which are dependent upon contingencies. Yet no Member of the Senate raised his voice in opposition to them on the ground that they constitute legislation on an appropriation bill. If in this instance Senators wish to rely upon a technicality, one which I think will harm the American farmers and taxpayers, then why is that this technical procedure has not been resorted to in other cases?

As I view the amendment, it simply provides a means whereby section 112 will assure the American farmer that when there is a surplus, the Administrator will use the ECA dollars to buy the surplus, under the justification, in the case of a participating country which wants such commodity. If that is not done, then there is no use of justifications, there is no use to put in a justification for anything. All we should do is appropriate \$3,608,000,000, give it to the Administrator, and let him spend it as he chooses.

The same statement applies to every other appropriation bill. This is not an exceptional bill. It is for foreign aid, but it is not different in principle from a domestic bill. I would not for a moment consent, for example, that an appropriation for rivers and harbors, should be authorized in the full amount, without providing how the money shall be spent. This bill constitutes a complete and radical departure. If the argument is carried to its full and final conclusion, every Member of the Senate is voting, if he votes against the amendment, to do what? To provide only that a lump-sum appropriation be made, and to give the Administrator all the authority he wants to spend the money any way he sees fit.

The VICE PRESIDENT. Is there any further argument on the point of order? If not, the Chair will rule.

The Chair would like to say that as a Member of the Senate and as a member of the Committee on Appropriations in 1948 he had some part in writing the agricultural provisions of the Economic

Cooperation Act, and the Chair supposes he would be justified in relying somewhat upon his memory as to the reason for the inclusion of the provisions in the act itself. The act of April 1949 which amends the original act does not in any way deal with the agricultural situation, and therefore it is unnecessary to refer to it.

Since this matter arose last week, the Chair has been trying his best to arrive at a logical judgment as to what the apparently conflicting rules of the Senate mean with respect to the question which is now before him. It has not been an easy task to clarify some of the situations that arose last week, which are not before the Chair at this time. Notwithstanding his part in the authorship of the agricultural provisions of the bill in 1948, his judgment from a parliamentary standpoint must be wholly aside from any convictions or opinions he may have as to the merits of the amendment. It is purely a parliamentary question and the Chair realizes that whatever his decision may be he may be overruled; which is the privilege of the Senate, for in the final analysis the Senate has the right to interpret its own rules.

In the agricultural provisions of the original act the Administrator is given wide discretion. In other words, whenever the Secretary of Agriculture declares any commodity to be surplus—and the law defines what a surplus is, which is also to govern the Secretary of Agriculture in determining when any commodity is surplus—the Administrator is given considerable discretion by the language, "That insofar as practicable and in pursuance of the objectives of this act." So that he is not hide-bound by the law. He is not bereft of discretion and judgment in determining to what extent the existence of a surplus is practicable for purchase under the Economic Cooperation Act and to what extent its purchase advances the purposes of the act itself.

There are certain modifications carried in three or four paragraphs of the original law which the Chair need not read, but which emphasize and broaden the Administrator's discretion, because he is required to give consideration to certain things which are set forth in paragraphs 1 and 2 of subsection 4 of section 112.

It being admitted that the Administrator has this discretion, and that it must be considered in connection with the practicability of the exercise of the power, together with its harmony with the purposes of the act itself, the question therefore is, Does the amendment which is now before the Senate change that discretion or lessen or modify the law under which he is supposed to act?

Undoubtedly any amendment which takes away from the Administrator any of the power which he now has is legislation. It restricts his discretion. It is not certain that he can, under this amendment, even consider the practicability of the purchase of agricultural products or whether their purchase is in consonance with the purposes of the act itself, because while the original

amendment last week affirmatively required him to use a certain amount of money for the purchase of agricultural products, the amendment now before the Chair provides that unless he uses it for that purpose he cannot use it at all.

It has been admitted on both sides in the debate today that one of the objects of the amendment is to prevent his expending the money for any other purpose except the purchase of these agricultural commodities. The Chair supposes that primarily it might be said the object is to provide for the purchase of American commodities in connection with the European recovery plan, in order to provide a market for certain agricultural commodities. But it has been admitted by the author of the amendment himself that one of the objects, and it may be a secondary object, is to prevent the Administrator from expending the money for any purpose unless he spends it for this purpose. In the opinion of the Chair, that is a fundamental change in the basic law under which the Administrator operates. It therefore violates the rule prohibiting the Committee on Appropriations from bringing in an amendment providing new or general legislation on an appropriation bill.

It is contended that notwithstanding it changes the law and therefore is new or general legislation, it is in order because it is a restriction or a prohibition against the expenditure of this money except for one definite purpose.

The amendment to rule XVI, which was referred to and quoted by the Senator from Illinois, was added to the rules by the Reorganization Act of 1946. It had not theretofore been a part of the rules. Section 2 reads:

The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restrictions on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency.

Congress, by the passage of the Reorganization Act, evidently meant to restrict the Committee on Appropriations further than it had been theretofore restricted by the addition of this prohibition in the rules against even limitations, if they were in violation of existing law or if they were dependent upon the happening of some contingency.

Does this amendment fall within that prohibition? The Chair, in deciding the question, is not required to determine the wisdom of the budgetary justification of the Administrator in submitting the needs of ECA to the Congress, any more than he would be bound by budgetary estimates of the Directory of the Budget on which a point of order might be raised.

Is there a restriction or prohibition based upon a contingency? If so, what is the contingency? The only contingency which the Chair can think of at the moment would be the contingency as to whether there is a surplus of agricul-

tural products—not all of the 14 products set out in the budgetary justification, but any of them. It would be difficult to foresee that the Secretary of Agriculture, during the life of this appropriation bill, might be able at all times to certify a surplus of agricultural products in all or any of the categories mentioned, because the conditions prescribed under which a product is declared surplus might change from month to month. It follows, therefore, that if during the year during which the appropriation is operative there should not be a surplus in any of the products mentioned in the justification, then the expenditure of the money, or part of it, would depend upon the fact that there was not a surplus of agricultural products in that particular field. If there is a surplus in all of them or in any of them at this time, and 6 months from today it should turn out that there is not a surplus, and the Secretary of Agriculture should certify to that fact, the Administrator would be governed by that certification, and the expenditure of the money would necessarily be governed by the certification as to a surplus that might exist at any time during the 12 months during which the appropriation is operative.

The Chair will say that in reaching his conclusions in this matter he has relied not only on his own judgment, but upon the advice of the Parliamentarian to whom alone he can go for parliamentary advice, and not to any one else, including the Legislative Drafting Service. The Chair has reached his conclusion by his own mental processes, feeble as they are, in conjunction with conferences constantly carried on with the Parliamentarian of the Senate. Based upon that judgment and that advice, the Chair is of the opinion that the amendment violates the provisions of the rule added by the Reorganization Act, that it does depend upon the existence of a contingency that may or may not happen within 12 months, and that, therefore, it is offensive to that part of the rule under which it is being considered.

The Chair, therefore, sustains the point of order that the amendment is in violation of the rule against legislation on an appropriation bill, and in violation of the rule that even a limitation or restriction cannot be imposed if it depends upon a contingency that may happen in the future.

Mr. McKELLAR. Mr. President, with entire good feeling and with the utmost respect for the Chair, I take an appeal from the ruling of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. LUCAS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Tennessee insist on a quorum call?

Mr. McKELLAR. Yes, Mr. President.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hickenlooper	Millikin
Anderson	Hill	Morse
Baldwin	Hoey	Mundt
Brewster	Holland	Myers
Bricker	Humphrey	Neely
Bridges	Hunt	O'Connor
Butler	Ives	O'Mahoney
Byrd	Jenner	Pepper
Cain	Johnson, Colo.	Robertson
Capehart	Johnson, Tex.	Russell
Chapman	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schocppel
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Donnell	Kilgore	Sparkman
Dulles	Knowland	Stennis
Ecton	Langer	Taylor
Ellender	Lodge	Thomas, Okla.
Ferguson	Long	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Vandenberg
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McGrath	Wiley
Green	McKellar	Williams
Gurney	McMahon	Young
Hayden	Magnuson	
Hendrickson	Maybank	

The VICE PRESIDENT. A quorum is present.

The question before the Senate is, Shall the decision of the Chair stand as the judgment of the Senate? An affirmative vote is a vote to sustain the decision of the Chair; a negative vote is a vote to overrule the decision of the Chair.

Mr. LONG. Mr. President, what is the ruling of the Chair?

The VICE PRESIDENT. The ruling of the Chair is that the amendment is out of order, for the reasons which the Chair stated.

The Secretary will call the roll.

The roll was called.

Mr. SPARKMAN (after having voted in the affirmative). When this bill was before the Senate on a previous occasion I had an arrangement with the senior Senator from Mississippi [Mr. EASTLAND] that I would pair with him on the so-called McClellan amendment. It may be that within his understanding that pair still stands. If he were present I understand he would vote "nay" on the pending question. If I were free to vote, I would vote "yea." For the reason stated I withdraw my vote.

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND] and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

I announce further that if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Nevada [Mr. MALONE] and the Senator from Pennsyl-

vania [Mr. MARTIN] are detained on official business.

The result was—yeas 52, nays 32, as follows:

YEAS—52

Alken	Hill	Morse
Anderson	Hoey	Myers
Baldwin	Holland	Neely
Byrd	Humphrey	O'Connor
Chapman	Hunt	Pepper
Connally	Ives	Robertson
Donnell	Johnson, Tex.	Saltonstall
Dulles	Johnston, S. C.	Smith, Maine
Flanders	Kefauver	Smith, N. J.
Frear	Kerr	Taylor
Fulbright	Kilgore	Thomas, Utah
George	Lodge	Thye
Gillette	Long	Tobey
Graham	Lucas	Vandenberg
Green	McFarland	Wiley
Gurney	McGrath	Williams
Hayden	McMahon	
Hendrickson	Magnuson	

NAYS—32

Brewster	Hickenlooper	Millikin
Bricker	Jenner	Mundt
Bridges	Johnson, Colo.	O'Mahoney
Butler	Kem	Russell
Cain	Knowland	Schoeppel
Capehart	Langer	Stennis
Chavez	McCarran	Thomas, Okla.
Cordon	McCarthy	Watkins
Ecton	McClellan	Wherry
Ellender	McKellar	Young
Ferguson	Maybank	

NOT VOTING—12

Douglas	Martin	Sparkman
Downey	Miller	Taft
Eastland	Murray	Tydings
Malone	Reed	Withers

The VICE PRESIDENT. On this vote the yeas are 52, the nays are 32, so the decision of the Chair stands as the judgment of the Senate.

Mr. McCLELLAN. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. Is it in order now to move to suspend the rules, pursuant to notice previously given, or must this amendment wait until action on the other committee amendments is had?

The VICE PRESIDENT. After advising with the Parliamentarian, the Chair is of the opinion that the amendment would come as an individual amendment now, and probably should await action on the committee amendments. But it will be in order.

Mr. McCLELLAN. It was my thought, however, that since a point of order had been made against the amendment and sustained, it would go out of the bill.

The VICE PRESIDENT. The Senator might ask unanimous consent to offer his motion to suspend the rules at this time. Is that what he has in mind?

Mr. McCLELLAN. I did not want to lose my right.

The VICE PRESIDENT. The Senator will not lose his right.

Mr. McCLELLAN. I was merely inquiring about that point.

The VICE PRESIDENT. The Senator will not lose his right.

The clerk will state the next committee amendment.

The next amendment was, on page 4, line 8, after the word "financing", to strike out "not to exceed \$500,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the

Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified."

Mr. HAYDEN. Mr. President, as originally presented to the Senate from the Committee on Appropriations the sum of \$500,000, appearing in line 8, was reduced to \$200,000. In order to perfect the amendment before it is voted on I offer an amendment in line 8, on page 4, to strike out "\$500,000" and insert in lieu thereof "\$200,000."

The VICE PRESIDENT. The clerk will state the amendment to the committee amendment.

The CHIEF CLERK. On page 4, line 8 in the committee amendment, it is proposed to strike out "\$500,000" and insert "\$200,000."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HAYDEN. Now I suggest the rejection of the committee amendment, as amended.

The VICE PRESIDENT. The question now is on the committee amendment, as amended, striking out "\$500,000" and inserting "\$200,000."

Mr. HAYDEN. No; the language now is to be stricken out of the bill.

The VICE PRESIDENT. The Senator is referring to the House language?

Mr. HAYDEN. Yes, the language of the House. Having reduced the amount from \$500,000 to \$200,000, I now suggest that the committee amendment, as amended, be rejected. That will leave the amount of \$200,000.

Mr. McKELLAR. That is entirely satisfactory to me.

The VICE PRESIDENT. The question is on the committee amendment, as amended. [Putting the question.] The "noes" seem to have it.

Mr. WHERRY. Mr. President, I ask for a division. I do not believe the Members of the Senate heard all the colloquy which has just taken place.

The VICE PRESIDENT. Will the Senator from Arizona again make his suggestion, and will Senators be in order.

Mr. HAYDEN. I will explain to the Senate that when the bill was originally reported to the Senate, the House language remained in the bill, except that the Senate committee recommended that the sum be reduced from \$500,000 to \$200,000. So I first offered an amendment to perfect the amendment by reducing the amount from \$500,000 to \$200,000. If we now reject the committee amendment, as amended, the sum will remain at \$200,000.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McCARRAN. By rejecting the committee amendment we restore or replace the language that has been stricken out by the committee.

Mr. HAYDEN. We make the sum \$200,000 instead of \$500,000.

Mr. LODGE. Mr. President, was it the decision of the committee that this reduction be made?

Mr. HAYDEN. Yes.

Mr. LODGE. Was it the unanimous view of the committee?

Mr. HAYDEN. Yes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LANGER. The same action was taken the other day, was it not?

Mr. HAYDEN. No; we did not get to this the other day.

Mr. McKELLAR. We did not get that far in the bill.

The VICE PRESIDENT. The question is on the committee amendment as amended. [Putting the question.] The "ayes" seem to have it. Apparently what the Senator from Arizona did not want to have done has been done.

Mr. HAYDEN. A negative vote is necessary.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Chair restate the question.

The VICE PRESIDENT. Without objection, the Chair will restate the question. The question is on the committee amendment, as amended by the amendment offered by the Senator from Arizona, striking out \$500,000 and reducing the amount to \$200,000.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. A negative vote means that the amendment carries?

The VICE PRESIDENT. A negative vote means that the House language is restored with the reduction from \$500,000 to \$200,000.

Mr. McKELLAR. Mr. President, I have no objection to that.

The VICE PRESIDENT. The question is on the committee amendment, as amended.

The amendment, as amended, was rejected.

ADDITIONAL APPROPRIATIONS FOR CONTROL OF EMERGENCY OUTBREAKS OF INSECTS AND PLANT DISEASES—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House Joint Resolution 327, making an additional appropriation for control of emer-

gency outbreaks of insects and plant diseases, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 327) making an additional appropriation for control of emergency outbreaks of insects and plant diseases, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert, "\$1,750,000"; and the Senate agree to the same.

CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
MILTON R. YOUNG,
CHAN GURNEY,
GUY CORDON,

Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERB,
LOUIS C. RABAUT,
JOHN TABER,
R. B. WIGGLESWORTH,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

STATEHOOD FOR ALASKA AND HAWAII—STATEMENT BY SENATOR MAGNUSON

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I present to the Senate regarding statehood for Alaska and Hawaii.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

As probably every Member of the Senate is aware, the Hearst newspapers have been making a current poll of the Congress to determine the thinking of all of its membership on the important subject of statehood for Alaska and Hawaii.

The showing made in this canvass, which is now virtually complete, is so overwhelmingly in favor of bringing these two great Territories into the Union that, in my opinion, it should command the attention of the Congress.

The sentiment of the Congress, as indicated by this unofficial poll, is about 3 to 1

in favor of statehood for Hawaii, and I understand that the showing made in favor of Alaskan statehood is almost as good. There has been a strong showing for immediate action. This is what might have been expected, since the Congress has studied the issue intensively for the past 10 years. I believe that in that time there has never been an adverse report submitted by one of its investigating committees. Eight such committees have made visits to the Territories; six to Hawaii and two to Alaska. They have returned to write into the records of the Congress about 4,000 pages of reports setting forth the qualifications of the two territories. I mention this because it is apparent, as this unofficial poll makes clear, that the membership of the two Houses of the Congress is familiar with the issue of statehood for both Territories, and is ready to act.

In the Eighty-first Congress, the House Public Lands Committee reported unanimously in favor of statehood for both territories. I believe that the Rules Committee of that body has not reported the bills, and that the legislation is static in the House. The Senate, however, does not lack responsibility, since the legislation which would have brought the great archipelago of Hawaii into the Union was approved by the House. In the Eightieth Congress the Senate failed to take action.

As the sponsor of one of the bills which would bring about Alaskan Statehood, and as an advocate of statehood for both Territories, I wish to remind the Senate that in May of 1948 the President of the United States submitted a special message to the Congress, urging that Alaska be brought into the Union speedily. It is my further recollection that in January of this year the President gave his personal assurances to the Delegate from Hawaii of his interest in seeing Hawaiian statehood through. I submit that this Congress can take this action expeditiously, and go down in history as the one that admitted two great States to the Union.

LEAVE OF ABSENCE

Mr. HICKENLOOPER asked and obtained consent to be absent from the sessions of the Senate beginning tomorrow, through Monday next.

RECESS

Mr. LUCAS. Mr. President, it is now 6:15. We have had a rather long afternoon, and have accomplished a great deal. I do not believe we can do anything more today. So I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 4, 1949, at 12 o'clock meridian.

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 3 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, viz:

- 1 On page 7, line 14, after the word "which" insert the
- 2 following: "(1) 90 per centum of the amount required to
- 3 finance the procurement of surplus agricultural products
- 4 (determined surplus by the Secretary of Agriculture) of
- 5 the kinds and in the quantities set out in the Department of
- 6 the Army budget justification submitted to the Senate shall
- 7 not be available for any other financing, and (2)".

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 3 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 3 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, viz:

1 On page 4, line 2, after the word "which", insert the
2 following: "(1) 90 per centum of the amount required to
3 finance the surplus agricultural products (determined sur-
4 plus by the Secretary of Agriculture) of the kinds and in
5 the quantities set out in the Economic Cooperation Adminis-
6 tration budget justification submitted to the Senate shall not
7 be available for any other financing,".

81ST CONGRESS
1ST SESSION

H. R. 4830

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

AUGUST 3 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

article be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMMIGRANT GETS NATIONAL HONORS

A Bohemian immigrant who came to Baltimore 59 years ago has received national recognition for his work in helping others to own their own homes.

The National Savings and Loan League recently presented its order of merit to Anthony J. Svejda, 75, of 2227 Lake Avenue. The presentation was made at Mackinac Island, Mich., on the occasion of Mr. Svejda's fiftieth year as secretary of the Bohemian American Building Association at 2417 East Monument Street.

"SEVENTY-FIVE MORE" TO GO

Mr. Svejda has no intention of retiring. "I have been around for 75 years, feel like I have 75 years more to go. I will put 50 more years in the building association and then have 25 years left for myself."

The naturalized citizen entered the port of Baltimore just before Independence Day, 1890. "Around Fort McHenry there was a little premature celebration of the Fourth so I had an impressive first look at the new country."

PLEDGED HIS BEST

In presenting the order of merit, J. J. O'Malley, of Wilkes-Barre, Pa., president of the league, said that when Mr. Svejda entered Baltimore "he pledged to do his best to repay this country of his adoption for the privilege of the welcome he was to receive on its shores the following day."

"I think that all the members of the National League should indeed be very proud of hailing you as their associate and brother, and I feel rather humble in standing before you to present to you this certificate with which we recognize your golden record of 50 years," the national president concluded.

From a humble beginning in the rear of a tavern at McElderry and Washington Streets, Mr. Svejda watched the building association grow.

He was paid 50 cents a week to act as its first secretary, meanwhile conducting a tailoring shop of his own, a trade he had learned in Bohemia. In 1929, the building association took all of his time and he gave up the tailoring business.

Since its inception, Mr. Svejda estimated, the association has made possible 3,000 to 4,000 homes in Baltimore. It is now a \$1,500,000 corporation.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. LUCAS. Mr. President, I should like to have the attention of Senators for a moment or two in order that I may submit a unanimous-consent request dealing with the pending business.

Senators know that we have been engaged in consideration of the ECA bill for a considerable time. In order that we may expedite the pending bill and get along with other appropriation bills and other important matters on the Calendar, I hope to obtain the cooperation of all Senators upon this unanimous consent proposal. There is not an amendment left which has not been debated by Members of the Senate, and I doubt if there is a single Senator who does not know how he is going to vote on the amendments, whether they be amendments now attached to the bill as

committee amendments, or whether they be proposed from the floor.

With that brief statement, I ask unanimous consent that during the further consideration of the pending bill, House bill 4830, debate upon the part of each Senator shall be limited to one speech of not exceeding 15 minutes on any committee amendment or any amendment proposed from the floor and 15 minutes upon the bill itself. That would mean that a Senator would have 15 minutes upon each amendment, and 15 minutes upon the bill, if he desired to take it.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, I doubt whether I shall speak on a single amendment, but I am opposed to this method of procedure in the Senate, and I object.

Mr. LUCAS. Mr. President, will the Senator withhold his objection so that I may ask him a question or two?

Mr. LANGER. Certainly.

Mr. LUCAS. Is there any arrangement which might be made with respect to time which would satisfy my distinguished friend from North Dakota?

Mr. LANGER. I do not know of any. As I have stated, I do not expect to discuss any of the amendments, but I do not believe it is right to restrict any Senator who may wish to speak for a longer time.

Mr. LUCAS. I thank the Senator for his very frank answer.

Mr. McCARRAN. Mr. President, what was the unanimous-consent request?

Mr. LUCAS. I will tell the Senator if he so desires. It was objected to. I asked unanimous consent to limit debate to 15 minutes on each amendment and 15 minutes on the bill. The distinguished Senator from North Dakota objected.

The VICE PRESIDENT. Objection is heard.

The clerk will state the next committee amendment.

The next amendment was, on page 4, line 15, after the word "specified", to insert "and (2) \$50,000,000 shall not be available for any other purpose than assistance to Spain."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. McCARRAN. Mr. President, I shall ask for the yeas and nays on this amendment. I think the amendment has been before the Senate for a sufficient length of time so that every Member of the Senate knows exactly what is meant. All one has to do is to read the amendment and the report of the Committee on Appropriations. They tell the story. If the Senator from Illinois [Mr. Lucas] is to raise a point of order, I shall pursue a course in keeping with whatever question he may raise.

Mr. LUCAS. Mr. President, last week the able Senator from Arkansas [Mr. McClellan] made a point of order against this amendment, charging that it was legislation on an appropriation bill, and the Chair sustained the point of order at that time. It is now offered as a limitation. It seems to me that the argument which the Senator from Illinois made yesterday with respect to the

first part of rule XVI definitely applies to this amendment. It is legislation upon an appropriation bill. What is sought is positive action in a negative way. Under the rulings and precedents of the Senate, and under the ruling which the distinguished Vice President made yesterday, it seems to me very clear that it is legislation upon an appropriation bill in a negative fashion, and I therefore make the point of order against it.

The VICE PRESIDENT. Does any Senator wish to argue the point of order? If not, the Chair will rule.

Under the original act known as the Economic Cooperation Act of 1948, certain specifications are set out as to the requirements and obligations with respect to each participating country. While the countries are not named, in defining a participating country, section 103 of the act provides as follows:

SEC. 103. (a) As used in this title, the term "participating country" means—

(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

It seems to the Chair that under the definition of a participating country—and under the original act these appropriations can be made only to participating countries—Spain does not come within the definition of a participating country and therefore would not be entitled to an appropriation, which would be in violation of the terms of the act under which these appropriations are made. Spain did not sign the agreement in Paris on September 22, 1947. She has not adhered to, and is not adhering to, the basic requirements under which an appropriation can be made for a participating country.

It is claimed that this amendment constitutes a limitation. The amendment certainly would destroy the discretion of the Administrator, under which he operates under the terms of the original act in the expenditure of this money. He would have no discretion in regard to this \$50,000,000. He would either spend it for Spain or he would not spend it at all. Under the original act Spain is not entitled as a matter of right to be regarded as a participating country.

Under the almost uniform rules of the House and Senate and the precedents, in order to be a limitation on an appropriation bill an amendment must be in fact a limitation, and not an effort to accomplish an affirmative act by negative language. That is what the Chair feels this amendment would do. It would require the Administrator to expend this \$50,000,000 for Spain if he spent it at all. Therefore it is an effort to compel him to spend the \$50,000,000 for Spain, without Spain complying with the requirements

of the act itself under which it could obtain assistance. It not only requires the Administrator to spend the \$50,000,000 for Spain, if he spends it at all, thereby taking away his discretion in regard to the expenditure of that amount, but it is seeking by negative language to compel him to do what under the law he would not have any authority to do.

Therefore, the Chair feels that the point of order is well taken, and sustains the point of order.

Mr. McCARRAN. Mr. President, I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair remain as the judgment of the Senate?

Mr. McCARRAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hendrickson	Maybank
Anderson	Hickenlooper	Miller
Baldwin	Hill	Millikin
Brewster	Hoey	Morse
Bricker	Holland	Mundt
Bridges	Humphrey	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Connor
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Downey	Knowland	Sparkman
Dulles	Langer	Stennis
Eastland	Lodge	Taft
Eaton	Long	Taylor
Ellender	Lucas	Thomas, Okla.
Ferguson	McCarran	Thomas, Utah
Flanders	McCarthy	Thye
Frear	McClellan	Tobey
Fulbright	McFarland	Tydings
George	McGrath	Vandenberg
Gillette	McKellar	Watkins
Graham	McMahon	Wherry
Green	Magnuson	Wiley
Gurney	Malone	Williams
Hayden	Martin	Young

The VICE PRESIDENT. A quorum is present.

Mr. McCARRAN. Mr. President, in considering this matter we might take into consideration the spirit of the law under which this entire program has been and is set out and is operative.

As a prelude to my statement, I read a part of the language of Public Law 472 of the Eightieth Congress:

SEC. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based

upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.

The Appropriations Committee placed the following language in the bill, on page 4, in lines 15 and 16:

And (2) \$50,000,000 shall not be available for any other purpose than assistance to Spain.

Then in the report of the committee, on page 7, reference is made to the identical and specific statute enacted by the Congress of the United States, under which this \$50,000,000 should be allocated in the spirit of the statute, a part of which I have just read to the Senate. The report of the committee states:

SPAIN

The committee has approved and is including in the bill language with respect to assistance to Spain to the effect that \$50,000,000 shall not be available for any other purpose than assistance to Spain.

In approving this provision, the committee does so with the understanding that the assistance is to be extended upon credit terms as provided in section III (c) (2) of the Economic Cooperation Act of 1948, as amended.

In other words, the amendment is couched directly in the statute itself and is in consonance with the spirit and intent of the law which I read to the Senate only a few moments ago. That I may dwell upon that, let me repeat. What is this law, and what is it set up for? Is it set up with the idea of isolating some one of the central nations of Europe essential to a complete and perfect economy that will enable Europe to return to a stable basis? Let us see whether it is. Let us dwell upon that for a moment. I read from section 102 of the Foreign Assistance Act of 1948, relative to the findings and declaration of policy, as follows:

Recognizing the intimate economic and other relationships between the United States and the nations of Europe—

It is not limited to any specific nations of Europe; no one of them is eliminated—

and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance.

Mr. President, when we are appropriating billions of dollars, why do we say we will not afford any relief or any assistance to one country that occupies, if you please, a strategic position, militarily and economically, in Europe, and which affects the welfare and the economy of this country as well?

What can be the spirit behind this program? Is it not the intentment of Congress that Europe shall become self-sustaining? Is it not the intentment of Congress as well that we shall look forward to the dangers of war? And if we look forward to the dangers of war, how can we in justice and in fair play isolate the peninsula of which Spain is the principal part, when she, clamoring at our doors, asks to be permitted to assist us, if you please, in bringing about stable economy and safety for Europe? How can we deny, with what cogency can we deny her participation, if by her participation she will lend us military strength and economic strength as well?

Mr. President, I appeal to this body today—not for Spain, for there is not a heart cord in my being which throbs for any other country than my own, the country for which I stand, in which I was born, and in which I hope to die; but I appeal to my country and to the Members of the Senate that we close every loophole where danger may lurk.

I am as certain as I am that I stand here, that war is only in the offing. Those of us who listen to the reports of the departments of the Government, that know what they are talking about, can have no doubt as to what we are doing or as to where we are going. Why is it our military heads are in Europe today? I wonder. Why are we confronted with a proposal to appropriate \$1,400,000,000 with which to arm Europe? Is it merely to play with it? That cannot be true. It must be that those who have this country's welfare at heart know the condition, as I believe they do know it. That being true, is there a country in all Europe more essential to the defense of America than is the Iberian Peninsula?

We are lending aid and assistance to Portugal, which lies on the western side of the peninsula. We are lending aid and assistance to France, which lies across the border from Spain. But we allow the great country of the Iberian Peninsula, the country which controls Gibraltar, if you please, to stand without aid, without sympathy, without succor, without support, at the very time when that country and Great Britain have entered into bilateral agreements, at the very time when that country and France have entered into bilateral agreements, and when we, by the economic program under which we propose to appropriate some \$4,000,000,000 or \$5,000,000,000 this year, are pleading with the countries of Europe for multilateral agreements, so that the countries of western Europe herself may set up an economy within themselves by trading with the world at large rather than by following a policy of unilateral agreements. If Spain is able, ready, and willing to enter into business agreements with other countries, she is certainly able, ready, and willing to enter into agreements with this country.

What has Spain to offer us? Why this \$50,000,000? Why earmark any money for Spain? It is done so that she may do two things: First of all, that she may trade with the United States for those things of which we shall have a surplus within the coming year. Today she is

trading with other countries for the very things we have to sell. She affords potash, electric power, phosphates, and fisheries, in trade with other countries. Today she is ready to buy and has been buying from Great Britain cotton to the extent of about \$400,000,000 during the past year. That trade did not come to the United States. It could have, it should have. There should be an opportunity for trade within those commodities of which we expect to have surpluses, indeed of which we now have surpluses. Why will we isolate a market for our surplus commodities? When we are giving this money to other nations abroad, why not give it to a nation that will trade with us? If by doing so, we win the good will of a nation that for a quarter of a century has fought the enemy we are now arming ourselves to fight, namely, communism, if by doing so we assist that nation to maintain her integrity and to carry on the fight against communism, why in God's name should we close the door to her at this hour of her existence and at this hour of our existence, when we so greatly need cooperation and assistance abroad?

Mr. McMAHON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Connecticut?

Mr. McCARRAN. I yield.

Mr. McMAHON. The Senator said we were arming to fight an enemy, and then spoke of communism. I am sure the Senator does not mean we are arming in order to start a conflict. I am sure the Senator will agree with me we are arming for purposes of defense and for no other purpose.

Mr. McCARRAN. Of course, we are always arming for our own defense, and this represents one of the steps we may take now for our own defense, by strengthening a nation that will stand at our shoulder when we are set upon and it is essential that we defend ourselves. No, Mr. President, this country seeks war with no other country. The United States will avoid war with any and every country in the world, until her own integrity is challenged, and then undoubtedly we shall provide the where-withal to defend ourselves.

One of the points we must protect has to do with those favorably disposed countries in the European arena, where war, if it comes, may be carried on.

Mr. President, I shall not take up the time of the Senate at greater length. I lay before the Senate what, to me, seems to be a matter affecting our national welfare. From a selfish standpoint, we can strengthen the markets which will take up our surplus commodities, markets of which other countries are now gaining control and using American dollars to carry on their commercial activities. We can, at the same time, make a friend of a nation which is naturally inclined to be friendly, wants to be friendly, wants to be on our side of a great battle which, to my mind, is in the offing.

Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The question is, Shall the decision of the Chair

stand as the judgment of the Senate? On that question the yeas and nays are asked for.

The yeas and nays were ordered.

Mr. McCARRAN. Mr. President, the chairman of the Appropriations Committee is absent at the moment. I understand he desires to be here.

Mr. VANDENBERG. Mr. President, if the Senator from Nevada wishes to have time to send for the Senator from Tennessee, I should like to address myself very briefly to the subject, and perhaps that will provide the necessary interim.

The VICE PRESIDENT. The Senator from Michigan is recognized.

Mr. VANDENBERG. Mr. President, I respectfully submit that the able Senator from Nevada has been discussing a general question of public policy, and not the question as to whether the Chair has correctly ruled on the point of order. The able Senator from Nevada knows that I have very substantial sympathy with what he has said, in general, regarding the Spanish situation. It is very generally known that, as a member of the delegation to the General Assembly, I opposed the action of the General Assembly in proscribing Ambassadors to Madrid. It is very generally understood that I favor the recent movement to restore an ambassador to Madrid. I have no hesitancy in saying that I think there is no consistency whatever in maintaining ambassadors at Moscow and in the satellite countries and withholding an ambassador from Madrid.

The situations are of a character which leave me no alternative except to say that I think we should be represented in Madrid. But I respectfully submit, Mr. President, that we cannot settle the Spanish question on this appeal from the decision of the Chair. I respectfully suggest that this is not the time or the place to settle it. I earnestly submit that it is not the pending issue. The pending issue is solely the question of whether the Chair is correct in reading from the ECA Act that requirement of the act which underscores the basic character of the act, namely, that it is to be based upon self-help and mutual cooperation. The language of the act as read by the Chair is perfectly clear. The participating countries must earn their right to participate through self-help and mutual cooperation, and the language is spelled out with complete identification. I read.

As used in this title, the term "participating country" means—

(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

(2) any other country—

And so forth—

wholly or partly in Europe, together with dependent areas under its administration; provided such country adhere to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MALONE. I should like to ask the Senator if he believes that the recent action of England in making a bilateral treaty with Russia to take a large amount of products and in return furnish machinery which we deny them, and the bilateral treaty with Argentina to furnish her petroleum products produced by American ECA funds which will deny American oil going into that area, are examples of self-help and mutual cooperation?

Mr. VANDENBERG. With the greatest respect to the Senator, I decline to discuss at the moment the question he raises. It is entitled to a full, free, and frank discussion on its merits. It has nothing to do with the ruling which the Chair has made. I submit the ruling the Chair has made is essential to the protection of the character of self-help and mutual aid as the basis of ECA; and any time ECA ceases to be fixed upon self-help and mutual aid—and I shall divert long enough to say to the able Senator from Nevada that I think it must be policed in its second year to a degree far more emphatic than in its first year—any time it loses that character, it has lost any justification whatever.

In the very humble opinion of the Senator from Michigan, the ruling of the Chair is clearly justified, inasmuch as the pending amendment will completely change the characteristics of ECA as spelled out in the legislation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. TAFT. Mr. President, it seems to me, in the first place, on the question of limitation, if Congress passes an act which encompasses five or six different purposes, I cannot see anything wrong in the Appropriations Committee's saying, "Well, there will be so much for this purpose and so much for that purpose, and no more." I do not quite agree with the language the Chair has used. It seems to me to be possible that Spain can be included under the term "any other country." The proviso applies to all the countries under the administration, and if one country withdraws it ceases to receive any more money. I do not quite see why Spain is not included. Money can be given to Spain so long as she adheres and remains an adherent to the joint program. I do not see why we cannot allot the money. It is up to the Administrator to decide whether Spain will get it. I do not intend to assert an opinion, but I am considerably concerned about the language which seems to say that when five or six purposes are set forth in the act we cannot say, "Here is so much for this purpose, and here is so much for that purpose." It seems to me to be within the power of the Appropriations Committee.

Mr. VANDENBERG. Mr. President, my comment in response to the Senator from Ohio is that the Chair's ruling is not based upon that section of the Act which sets forth its purposes. It is based upon that section of the act which sets forth the specific mechanism which which must be followed and which must constantly exist and which by no stretch of the imagination can be asserted to be

in existence at the present time. Therefore, with great respect, I am unable to agree with the viewpoint submitted by my good friend from Ohio. It seems to me that the Chair stands on invincible ground.

The VICE PRESIDENT. The Chair would like to make this observation in clarification, not in argument.

The preamble of the act is section 102 (a), which sets forth the various purposes of the act. The Senator from Nevada [Mr. McCARRAN] read from the preamble.

Subsection (b) provides:

It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries—

And so forth. So that the two subsections tie into each other, and subsection (b) undertakes to define how the purposes set forth in subsection (a) are to be accomplished.

Mr. CHAVEZ. Mr. President, I should like to discuss for a moment the ruling of the Chair on the point of order. I do so with the greatest of deference and respect for the Chair and the ruling.

If we were dealing at the moment with the question of strict interpretation of rules, I would possibly feel compelled to agree with the ruling of the Chair. But as I look back and try to analyze the history of the ECA legislation, the purposes which Congress had in mind and the intentions of Congress at the time of its enactment, I can but feel that, notwithstanding the respect and almost reverence I have for the Chair, sound American policy should compel this body, in this instance, at least, looking at the matter in its broad, fundamental aspect, to overrule the Chair, and make its own ruling.

Mr. President, this question goes further than the idea of a loan of \$50,000,000 to Spain; it goes to our sincerity of purpose, whether we mean what we say when it suits our convenience, and do not mean what we say when it might hurt the sensibilities of every Communist in the world.

Basically, fundamentally, intentionally, the ECA legislation was first proposed and advanced in order to rehabilitate Europe. But behind that there was a stronger motive, namely, the fight against communism. I am positive that the Chair did not decide this question with any such thought in mind, but nevertheless the decision of the Chair pleases every Communist throughout the world.

The decision in this instance is not pleasing to those who desire to be helped in Europe, it is not pleasing to those who would fight "Uncle Joe," but it is pleasing to "Uncle Joe." Bear that in mind.

It is not pleasing to the good Englishman who wants to live in austerity, and suffer blood and tears in order to try to bring back such conditions that he can live as the English have heretofore lived. The decision is pleasing to every Communist in England.

It is not pleasing to the Christian people of France who desire to work as they have worked through centuries in order to make France great, but it is pleasing

to the Communist friends of Mr. Stalin in France.

It is not pleasing to those who won the election in Italy, even though our efforts, in order to fight "Uncle Joe," but it is pleasing to those who lost the election, the Communists of Italy.

Mr. President, that is basic. We are told that every move we make must be a checkmate against the advance of the Russian Communists in the affairs of the world. Let us be honest about these things. Whom are we pleasing now? We are pleasing the men who are being tried before Judge Medina in the city of New York more than we are even the two great persons who have an unfortunate difference of opinion.

The ruling in this instance is not pleasing to the good, sincere citizen, irrespective of politics, in any State of this Union, but it is pleasing to those who would undermine this Government. So it goes further than a straight interpretation of a Senate rule. It goes to the question, Are we to be made a laughing stock, and have people say, "Yes, you will talk anti-communism, but you will vote for those who would help the Communists."

This action is not pleasing to the liberty-loving folks in Indochina who would like to have our way of living, but it is pleasing to those who would oppress them, and we are appropriating money for those who would buy guns with which to kill liberty-loving people in Indochina.

It is not pleasing to the democracy of Java, the Javanese who have suffered for hundreds of years, but it is pleasing to those who would buy guns and, in American uniforms, kill them because they dare to fight for liberty.

Mr. President, let us keep the record straight; let us vote as if we were fighting for democracy, as if we were fighting for something of which we should be proud, for which we would be willing to fight, for a thing we love and revere, for liberty, for decency.

Mr. President, I have told the Senate before, and I shall tell it again, that if I were a subject of Spain possibly I would be in jail. I do not like many heads of governments throughout the world; but what are we going to do about it? I presume some people do not like our Government. As a matter of fact, I do not know why, but some 21,000,000 people voted for Mr. Dewey 2 years ago. If I were to be in Spain, possibly I would get in trouble. But we certainly do not want to fight the people of Spain because we do not like Mr. Franco. There are babies in Spain, there are innocent people in Spain. I care not about the Government of Spain, but I think in order to carry out our purposes, if we mean what we say, we should not be hypocritical. Let us not say we are good when we want to be, when it suits our purpose, that we are charitable when it suits our purpose, that we are against communism when it suits our purpose, but we are for those who are inclined toward communism when it suits our purpose.

Mr. President, for this reason, and only for this reason, I shall vote to overrule the Chair, and with the greatest of respect for the Vice President, who made the ruling. At the same time I know

that the leader of the majority sticks by a technicality when down in his heart he knows it is against all the concepts for which America stands.

Mr. MALONE. Mr. President, I support the Senator from New Mexico [Mr. CHAVEZ] in what he has just said, that the rule regarding legislation by an appropriation committee is evidently invoked whenever the majority party sees fit to do so. There were at least a dozen instances in the independent offices appropriation bill where the language of new legislation was inserted in the bill. I will cite one specifically. On page 60 of the bill (H. R. 4177), under the subject Readjustment Benefits relating to veterans, certain words, in lines 10 and 11, were stricken, and the following words added by the Senate committee: "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate, in the form of an affidavit supported by two corroborating affidavits, has been furnished by a physically qualified veteran stating that such education or training is desired by him for use in connection with his present or contemplated business or occupation."

Mr. President, I personally had no objection to the addition of the words in the bill by the Senate committee. I think it would involve a long, drawn-out process if we were not to allow the Committee on Appropriations to make such additions along that line as may be considered necessary. When the Senate committee makes such additions the Senate itself can either accept or reject them. But we know, and the evidence is before us, that the rule is manipulated and used exactly the way the majority party wants it to be used.

The Appropriations Committee has, in the bill now before the Senate, inserted the language that is necessary to assign a part of the appropriation to the nation of Spain. I shall certainly vote against the ruling of the Chair, because I see no other way a Senator could vote and be consistent on the Senate floor.

The Senator from Michigan [Mr. VANDENBERG] pointed out that the matter is a technical one, and apparently the emphasis is placed on the point that failure to sustain the ruling would change the entire Senate procedure. If that position is going to be taken, we had better reconsider the independent offices appropriation bill. We had better review it with respect to legislation contained in it because, by passing that bill we have already ruined whatever precedents have been established, or whatever rulings have heretofore been made, on the basis of which subsequent rulings may be made.

Mr. President, it seems to me the comparison which is sought to be made of a matter which we ourselves feel strongly about with a purely technical matter is a farfetched one. I give every Senator credit for voting his convictions, just as I intend to do on this particular subject; but when attention is called to technical rules, rules which have been violated on the Senate floor 10 or 15 times in the past few days, in the hope by that method to accomplish a certain purpose on the Sen-

ate floor, I think it is farfetched. In this particular case I certainly shall vote to overrule the decision of the Vice President.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. I do not want to delay the Senate. Neither do I want to comment particularly upon the rule. I should like, however, to point out again with all the force that is within me what I pointed out when the independent offices appropriation bill was under consideration, that in that bill—I have checked the amendments since the bill was passed—14 times we wrote legislation in an appropriation bill, and not a voice was raised against that action.

The amendment in the independent offices appropriation bill, to which the Senator from Nevada has referred, which appears on page 60 of the bill, is only one of many such instances. Since the Senate permits the Appropriations Committee, after careful consideration, to report an appropriation bill which meets the provisions of the rules, if we as Senators on the floor should then elect to use the technical procedure of making points of order on some particular amendments we do not like in a bill, we are thoroughly inconsistent in the United States Senate and we are certainly hamstringing the Appropriations Committee.

I wish to point out again, now that the Senator has brought it up, that in the case of the independent offices bill 14 times legislative amendments were written into it, against which no point of order was made. But when the ECA bill comes before the Senate technical points of order are raised one after another. The Senate Appropriations Committee itself gave thorough consideration to the justification for these amendments, and by majority vote reported them for the consideration of the Senate, as it reported other amendments in other bills, and as it will report still other amendments in additional bills, such as the Interior Department bill. Many legislative provisions are written into such bills. That has been the precedent of the Senate. It is only when the majority leader wants to elect to raise the point of order that he does so.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. McCLELLAN. I wish to point out further that it is not the Appropriations Committee which is being shackled. The Appropriations Committee can report amendments, and points of order may be made against them; but what we are actually doing under this rule is shackling the United States Senate. We are subordinating it in comparison with the House of Representatives. The House of Representatives writes legislative provisions into appropriation bills by majority vote. What we have always understood to be limitations are now being held to be legislation, when it suits the convenience of the sponsors of the bill. By this process, under the rulings which have been sustained—and if this ruling is sustained it will be a further

precedent along that line—we are simply hamstringing the Senate.

I believe that this rule should be observed. I do not believe that the Appropriations Committee should write any legislation into an appropriation bill. Any Senator who desires to write legislation into an appropriation bill, or write a limitation, as we term it, into such a bill, should follow the usual procedure and do it by a two-thirds vote. That is the way for the rule to operate fairly. We have disregarded it in the past. We have gone along in the interest of expediting legislation and in the interest of protecting the taxpayers. The Appropriations Committee has undertaken, in its wisdom, to submit these amendments as recommendations to the Senate. The committee feels that it is in the interest of our country to have such provisions in the law. If the present rulings are adhered to in the future it simply means that the Senate is hamstringing itself, because such legislative provisions, or limitations, as some of us think they are, will have to be voted in by a two-thirds vote of the Senate. Therefore we place ourselves on an unequal basis in comparison with the other body which is charged in part with the responsibility of legislating for the Nation.

Mr. MALONE. Mr. President, I wish to say to the distinguished Senator from Arkansas that I bow to his seniority and experience on the floor of the Senate. Certainly for as long as the junior Senator from Nevada has been in the Senate, this method of amending appropriation bills has been the custom. I would go along with the Senator from Arkansas if all such proposals were treated alike. But we see violations of the rule every day. Then we listen to speeches by two or three distinguished Senators to the effect that we should not do it in this instance. Why? Because some Senators evidently are against this particular part of the written-in amendment or legislation, whatever it may be held to be.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CHAVEZ. When we are making world policy, and especially when we are engaged in a great effort to fight the Communists, is it not more important that we should follow the procedure suggested in this instance than in any of the 16 instances to which attention has been called in the independent offices appropriation bill?

Mr. MALONE. I will say in answer to the distinguished Senator from New Mexico that I recall that on this very floor, when some of us were discussing at length the original ECA authorization bill, we were reminded again and again that it was not mandatory for the Appropriations Committee to appropriate the money simply because we passed an authorization bill. It was emphasized, almost to the point where one might expect a bill to come out of the committee carrying one-third of the amount, at most, that it was a matter for the Appropriations Committee to decide, and that the authorization was not mandatory in any way. We were told that the com-

mittee could make whatever appropriations it saw fit. I think all Senators will recall that argument. It was emphasized day-after day to such an extent that some of us, if we had not had the benefit of a year's experience in the Senate, might have been lead to believe that perhaps there would be no appropriation at all.

I will say to the distinguished Senator from New Mexico that in view of the fact that the 16 ECA nations have violated almost every provision in the legislation, I would certainly hope that the Appropriations Committee would take some cognizance of those violations of the objective of the law. I stood on the floor of the Senate and described 88 trade treaties which the 16 Marshall plan nations had made with Russia and other countries behind the iron curtain since World War II. They agreed to ship them almost everything necessary for war except the guns. They agreed to ship them all kinds of machinery, ball bearings, tempered steel, and almost everything one could think of. Senators need only to read the CONGRESSIONAL RECORD for that date. I enumerated for the RECORD 88 such treaties and named the nations that were parties to them. Four or five of the treaties were printed in detail in the RECORD. The information is all in the RECORD for anyone to see. Any Senator can communicate with the State Department and obtain access to the treaties.

Such actions are in direct violation of the spirit of ECA and the Marshall plan. It is said that what we are doing is trying to put those nations on their feet, and that we are trying to contain Russia. I heard those words on the floor of the Senate in 1948 until they rang in my ears. What we are doing is furnishing raw materials and money to the 16 Marshall plan nations so that they can furnish everything to Russia and other countries behind the iron curtain they require for war. We are doing it under a manufacturing-in-transit arrangement.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CHAVEZ. Inasmuch as the Senator from Nevada uses the name Russia, as a sound American policy, irrespective of the technical merits of the ruling, does the ruling please those who would contain Russia, or those who would not? What would the ruling do? Who would be pleased the most? Would Russia be pleased, or would those who would fight Russia be pleased?

Mr. MALONE. I will say in answer to the distinguished Senator from New Mexico that so long as Spain is practically the only nation in the world which has been on our side heretofore, as against Russia, I should say that Russia should be the most pleased.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. Before the Senator leaves the point with respect to the ECA countries not complying with some of the conditions in the act, I ask the distinguished Senator from Nevada if it is

not true that the entire basic ECA Act is contingent upon the compliance by the ECA countries with certain requirements. Is not that true?

Mr. MALONE. I so understand.

Mr. WHERRY. One of the conditions which I remember was that they should eliminate economic barriers. Another was that out of the counterpart funds they should attempt to exchange currencies among one another so that they could do business among themselves and not have to come back to the United States for dollars. Is not that true?

Mr. MALONE. That is absolutely true.

Mr. WHERRY. In view of the ruling of the Chair, it is my opinion that if one were to examine the basic act he would find throughout the act that the entire appropriation is based upon the contingency that the ECA countries comply with certain requirements in the act. If that be true, then I think the argument of the senior Senator from Ohio [Mr. TAFT] today becomes very effective and potent. If we appropriate \$3,600,000,000 upon the contingencies in the act itself, on condition that those countries do certain things, when we write into the act a provision that \$50,000,000 shall be reserved for Spain, provided it does exactly what the Administrator can require of all the other countries, then I say that we are not doing any more for Spain than we are doing for any of the other countries. Does the Senator agree with me as to that?

Mr. MALONE. I certainly do agree.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. MALONE. I am glad to yield.

Mr. CHAVEZ. To go further with the suggestion of the Senator from Nebraska, let me say that if certain countries are supposed to do certain things before they become the beneficiaries of this act and if the Appropriations Committee finds they are not doing those things—for instance, as in Morocco, where the French subjects of Morocco are doing things that are contrary to the ECA understandings—if the Appropriations Committee, knowing of that situation, brings to this body an amendment to correct that situation, and the President of the Senate then sustains a point of order against the amendment, it seems to me that is not in furtherance of a correct policy under the ECA legislation.

Mr. MALONE. I thoroughly agree with the Senator from New Mexico.

Mr. President, in further answer to the Senator from Nebraska, I wish to say that the economic barriers between the 16 Marshall-plan countries have not been remedied or eliminated. No attempt has been made to eliminate them. More than that, those barriers are greater today than they were at the time when the ECA Act was passed. Moreover, there has been no further talk about a federation of the countries of Europe, which we thought the money we were appropriating for ECA would

be used to promote. Instead of that, we find that today the world is divided into spheres of influence, as between the United States and Russia, and we find a distinctly separate system set up by the British under the sterling bloc, in opposition to our dollar system. Even Russia is in the sterling bloc. Today we are virtually surrounded by the sterling bloc, and it is becoming tighter and tighter; and it is becoming more difficult for us to engage in trade with the other countries. In addition, there is the guildler bloc, which includes the Dutch East Indies; and there is the franc bloc, maintained by France in French Morocco, French West Africa, New Caledonia, and the various other French possessions in the Far East and in other portions of the world where France controls.

So, Mr. President, in our economic sphere we are getting terrific opposition. Recently we have witnessed the bilateral trade agreement between Britain and Argentina, which makes it virtually impossible for the people of the United States to trade in Argentina. Under that agreement, the fuel Argentina needs is being furnished by Britain, one of the leading ECA countries, which produces the fuel in the Middle East with money we have gift-loaned her. In exchange for that fuel, Britain takes foodstuffs from Argentina, and the result is to take Argentina almost entirely out of the dollar trading area.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BRIDGES. In connection with Spain, let me say that I hold in my hand a statement quoting Mr. Acheson, the Secretary of State. In the statement he elaborates on the reasons why we cannot have an Ambassador in Spain and why our relationships with Spain should not be more cordial or cooperative than they are. One of the things he says is this:

It is * * * a question of religious liberty, which is fundamental to the free exercise of human personality. That right does not exist in Spain.

Mr. President, I also hold in my hand at this time a summary of tables. It is entitled "Tables, Special Summary of Foreign Grants and Credits of the United States Government, by Country, by Type of Transaction, in the Postwar Period July 1, 1945, Through December 31, 1948." It is prepared by the Clearing Office for Foreign Transactions, Office of Business Economics, Department of Commerce. It is fairly authentic, I should say.

It is very interesting to me to note the contrast between the statement that we should not have anything to do with a country that does not exercise or recognize religious liberty and then to read, as shown in the document I now hold in my hand, that we have granted to Albania a total of approximately \$20,000,000; to Czechoslovakia, approximately \$213,000,000; to Hungary, a total of \$18,000,000; to Poland, \$442,000,000; to the Union of Soviet Socialist Republics, \$458,000,000; to Yugoslavia, \$300,000,000—all in the period from July 1, 1945, to December 31, 1948.

I am particularly interested, I may say to the Senator from Nevada, in observing our open-hearted, very generous cooperation with those countries in that period of 2½ years, and then observing that it is said that we cannot even have speaking relations with Spain because Spain denies religious liberty. However, if I have been correctly reading the newspapers in the past several years, the countries I have just listed have not been particularly noted for religious freedom. In fact, scarcely a day passes but that I read in the newspapers that religious liberty or religious freedom is denied or violated in some of those countries.

So, Mr. President, I think we should be somewhat consistent, which is one thing this administration has not been in its foreign policy. If we are not going to have anything to do with Spain, certainly we should not base that policy on such a fallacious argument, and yet on the other hand in the previous 2½ years engage in that amount of cooperation with the countries I have just mentioned, in which there certainly is about the least amount of religious liberty that can be found anywhere in the world.

Mr. MALONE. Mr. President, I certainly agree with the points the distinguished Senator from New Hampshire has made.

Mr. WHERRY. Mr. President, will the Senator yield to me again, before he leaves this point?

Mr. MALONE. I yield.

Mr. WHERRY. The evidence brought before the committee was that the original conception of ECA was that it was intended to stop the expansion of communism in Europe. Is not that the Senator's understanding of the purpose of the basic ECA Act?

Mr. MALONE. In 1948 the Halls of Congress rang with that statement of basic policy.

Mr. WHERRY. Does the Senator from Nevada know of any country in Europe that has done a better job of stopping communism than Spain has?

Mr. MALONE. I know of none.

Mr. WHERRY. If the original ECA Act contained a statement of that basic purpose, and if Spain now is meeting the conditions which any of the participating countries have to meet in order to obtain ECA funds, why should not Spain now receive the \$50,000,000?

Mr. MALONE. Again I say we should at least be consistent. All of us know from the military authorities that Spain will become most important to us as a location for air fields, if we really get into trouble with Russia or any other great nation in that area of the world.

Mr. President, we know that the economic barriers between the nations of Europe have been kept up to such an extent that it is impossible for them to trade with each other. That situation is beginning to resemble the one which would exist if there were complete economic barriers between the Senator's State of Nebraska and the State of Nevada, if we in Nevada would not allow Nebraska corn to be shipped into Nevada without the payment of certain sums of money, on the basis of so much a bushel; and if, in turn, Nebraska

would not permit Nevada mineral products to be admitted to Nebraska without the payment of certain sums of money, in the nature of duty fees. In such event there would be chaos. Such a system was tried early in the life of the Thirteen Colonies, but it was soon found to create an impossible situation, so we organized the United States.

Mr. President, today we find that the ECA funds are being used by the participating countries to build up sterling blocs, guilder blocs, trade quotas, financial agreements, and similar arrangements. In that respect, conditions in Europe are growing worse, instead of better. I predict that if this condition continues, by next spring there will be a great blow-up in Europe. We find that today the European countries are manipulating their currencies for trade advantage. For instance, we expect the devaluation of the British pound almost as soon as we extend the 1934 Trade Agreements Act—if in fact we do extend it, the \$4.03 pound.

We have made many trade treaties. Britain, when she gets around to it, will lower the value of the pound by 20 or 25 percent. Every trade treaty they have made then is violated and nullified. In other words, they can come right under any trade treaty arrangement, just as cows come through a gate. In other words, there will be nothing at all to keep them out, and they will come in with their products and swamp the workmen of America, as they are now doing in certain instances, which I intend to discuss on the floor of the Senate when the 1934 Trade Agreements Act comes up for extension. That act has expired, and legislation to extend it must come before the Senate.

Mr. President, if we do not recognize Spain—if we do not help them in any way, and we refuse to yield on the stand we have taken, what will happen? England and France have trade treaties with Spain and with other nations in Europe, and the longer we put off a resumption of proper relations the less chance we have of getting any trade whatever with Spain, or with any other nation, as a matter of fact, that comes under the sterling bloc—and we are financing the sterling bloc, Mr. President.

One thing I have not mentioned at this time, which I previously mentioned in connection with the debate on the North Atlantic Pact, namely, that these two nations, France and England, already have nonaggression pacts with Russia, in which they say in words of one syllable that they will not join, they will not undertake to join, any other alliance which would interfere economically or otherwise with their full cooperation with the participating nation. And what is that participating nation, Mr. President? In each case it is Russia. Yet we are saying we are trying to combat Russia and will not send anything to Russia that would be in the nature of help in a military way.

Britain even went so far as to make an actual cash loan to Russia. And where do you suppose, Mr. President, the money came from? I suppose it is not hard to trace. They will say it was

not our money, and of course that probably could be true. But, as I said before, it is like a man who has \$100 who goes to the bank and borrows \$500 and then buys a \$100 suit of clothes. He probably does not use the money he borrowed from the bank in order to get the clothes, but if he had not obtained the bank loan it would be a little difficult for him to buy the suit of clothes. That is the way this thing is working out all over the world, Mr. President.

I should like now to call attention to two things: First, are we to be technical; I would be the first to vote for a technical ruling, if the technical ruling were consistent, which it has not been and is not at this time, and I have, I think, with my other colleagues shown it is not. The next thing is, most of the ECA nations have violated in almost every way the rules and regulations laid down in the original Marshall plan and the ERP and the ECA Act. Since they have, since this question has to be decided, and since we do need Spain and need to deal with the Spanish Government in the selection of air bases, certainly every Senator should have the opportunity of voting the way he really and sincerely believes on this question as to whether aid should be furnished to Spain. Every Senator has the same right the junior Senator from Nevada has to make up his own mind, but certainly a technical ruling, which is something that has been abused so many times as almost to have become a custom, should not prevent him from having that opportunity.

Mr. BREWSTER. Mr. President, I want to express my own appreciation of the action of the Appropriations Committee in presenting this question for our consideration, as in my judgment there are very few questions that are more vitally concerned with the future safety and security of the country than the very earliest possible cultivation of far better relations than have thus far prevailed with the country of Spain. I shall not review the arguments which, I have no doubt, have been presented here as to why this proposal seems very vital to the entire objective which we have in mind.

Now, to argue the issue, which is the immediate parliamentary question that is presented, I shall only say there seems to be on each side, as I feel, very definite authority, for which I have the highest respect, so that, as one not so experienced in the rules as some of my colleagues, I may safely accept one or the other opinion with certainly full justice to the integrity of the rules with which we naturally are all concerned.

I supported the McClellan amendment upon that ground yesterday, and I expect to support this appeal from the Chair today upon the same ground, that the importance of this subject is so great, and my desire to see the Senate have an opportunity to express itself upon this question so overwhelming, that whatever doubts there may be regarding the matter I am willing to resolve in favor of giving the Senate an opportunity now to vote upon the question of recognizing Spain as one of the community of nations with whose future cooperation our welfare may be most vitally concerned.

Without going into the economic questions which have been presented, I discussed this matter at some length with both Mr. Hoffman and his assistant, Mr. Foster, so that I am at least somewhat familiar with the arguments which they have presented as to why they did not desire this amendment to be considered or approved. They were not, however, arguments which seemed to me to be at all persuasive in the light of the other considerations which are so potent. The suggestion Mr. Hoffman made that it would require 8 months to consider this program seemed to me to be fantastic in the light of conditions which I myself observed in Spain last fall when I was privileged to visit that country. I was happy to do so on the return from the meeting of the Interparliamentary Union in Rome, as it seemed to me that not only the geographic and historic position of Spain but the immediate problem with which we are faced argued most persuasively and insistently that there should be a readjustment of our relations. My convictions in this regard were reinforced by the attitude of every Member of the Senate who discussed the matter when we were considering the question of whether there should be recognition.

That question was discussed on the floor of the Senate a month or two ago, and so far as I recall, not one voice was raised to question the wisdom and desirability of normalizing our relations with Spain. That certainly was reassuring to those of us who had for a long time felt that something of this sort should have been done. While I was in Spain, I discussed the matter with our own representatives there and found the overwhelming opinion of those concerned with our diplomatic relations that our policy had been a profound mistake; that, however well-intentioned it may have been, it had not worked out as had been anticipated or desired, and that it was then anticipated—and I speak now as of last September—that relations would shortly be normalized.

There was a curious thing. We were told all through the fall and all through the winter that, while we would not propose the restoration of normal relations in the United Nations, we would support it if it were proposed, and we were told upon this floor and in this country, up to within 1 week of the time the final vote came, that that was the position of the State Department and of the Government. I will not say that was done deliberately to throw dust in our eyes and to dissipate otherwise the profound considerations that might have been urged, the profound disturbance that was felt upon both sides of this Chamber over the situation, but I will say it was curiously coincidental. So we went along through the fall and winter under the assurance that all was going to be well and that the United Nations in due course of events would consider the matter, and that the United States, through its authorized representatives would support the restoration of normal relations.

Suddenly, 3 days before the matter was to come to an issue, we found the

position of this country had been changed, and there were various stories told as to why. We were told in the press by presumably authoritative commentators, who have apparently a much better conduit of information in the State Department than do most of the Members of this body, that while the State Department favored the restoration, while the State Department had sent instructions to our representatives at Lake Success that they were to vote for the normalization of relations, the five representatives we had at Lake Success, by a majority of 3 to 2, had voted we should not do so, and the State Department felt obliged to defer to their position. The result was that by a scant margin of a vote or two they refused to support that resolution. The opposition of 15 nations out of 50, I think it was, was sufficient to block that action, and the United States contributed to that end by its own action in abstaining.

What was the result? The fantastic disregard of both economic and military considerations, which are obvious to the most uninformed, continues to be the policy of this country.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. CHAVEZ. Does not the Senator from Maine agree with me that outside the considerations which the Senator has mentioned, there should also be mentioned another consideration, a political consideration as against communism? Should not that be also considered?

Mr. BREWSTER. If that were not implicit in my remarks on the economic and military situation, I assume that the entire military picture of the world, if we are to believe all we have been told in the past few years, is concerned with communism and whether it proposes militantly to attack democratic nations. The \$15,000,000,000 we are voting for our own defense, the \$5,000,000,000 we voted last year for Europe, the \$4,000,000,000 this year, was all voted with one design—to contain communism. If there is danger that communism is going to burst its bounds and strike by military action, then I do not believe any competent military critic will question the advisability of having the cooperation of Spain. I do not include myself in the category of a military expert, but I have never heard any competent military person who has not said that Spain might well be the most vital spot, so far as Europe is concerned.

Mr. CHAVEZ. From a military standpoint, I believe the observations of the Senator from Maine are correct, but considering it purely from a political standpoint, irrespective of merit and irrespective of the sound technical considerations of the ruling of the Chair, does the ruling of the Chair please those who would agree with us politically, or does it please those with the communistic state of mind?

Mr. BREWSTER. I recall our dear old friend whom we used to call Cotton Ed Smith, who said, "If you have got to make a mistake, make it on my side." I think if there is any doubt as to the decision of the Chair, we had better

resolve it in favor of those who started the war on communism, who have kept it up, and whose fidelity to their opposition to communism I do not think anyone has ever challenged. So we might as well resolve our doubts in favor of those on whom we can depend, rather than on the subtle and insidious voices who tell us we should not do this because there is opposition in some sections of Europe.

Mr. CHAVEZ. With the Senator's permission, if that be correct, as a matter of sound policy of the United States Senate, should we adhere to that fine-spun policy by fighting communism, or should we adhere strictly to a technicality of a rule of the United States Senate? Which is best for the United States Government?

Mr. BREWSTER. I shall continue to insist that since there are distinguished advocates, very competent advocates, on each side of the interpretation of the rule, I freely give my support to those who seem to me to be supporting the most vital interests of this Nation, and this seems to be the only way at this time that the Senate can register what I had formerly thought was in some respects its almost unanimous opinion that we should normalize our relations with Spain, that we should no longer treat Spain as an outlaw among nations, when it is the only nation in the world which is carrying on, and has carried on longer and better than any other, the war against communism, unless we except China, which seems to be in the "doghouse" of our State Department.

Mr. CHAVEZ. Mr. President, will the good Senator from Maine yield to me once more? I beg his indulgence.

Mr. BREWSTER. I shall be happy to yield.

Mr. CHAVEZ. I should like to make plain the record in the United States Senate as to where we stand, whether we mean the things we talk about and brag about, or whether we do not. I am convinced in my own mind that the United States Government and the people of the United States are the most charitable in the world. But suppose that in carrying out the purposes of ECA, which are to bring about economic improvement and recovery to Europe, it develops that we may not like the head of a particular government, should we, being charitable, in carrying out the noble purposes of ECA, consider the people of the country involved? Should the hungry people of Spain, the babies who are starving, be considered as to whether they should be eligible for our charitable benefits?

Mr. BREWSTER. In my judgment, the support of this amendment could be entirely justified upon the ground of the historic interest of America in the welfare of those suffering people and in the difficulties with which they are faced, but it seems to me we can make what is an even more powerful argument to the American people in their own vital interest.

On this score I should like to speak a moment on the aspects of the situation, which are partly economic and partly military and which are the aspects I presented in my discussions with Mr. Hoff-

man and Mr. Foster. I think I can say that they were in concurrence with the ideas which I expressed, although they still insisted that this was not the time to have them considered. They asked what they could do with the \$50,000,000. I told them that, in my judgment, it was self-evident to anyone who had traveled through Spain that rehabilitation of its aviation facilities, so far as landing facilities and all-weather operations were concerned, was of vital concern both to our commercial air operations in time of peace and to our military operations when, as, and if there should ever be necessity—and God forbid that it should ever occur.

But what did I find there? It was pointed out to me in Madrid that the British were proceeding to unload upon the Spanish their outmoded aviation equipment, both upon the fields and in the air, meanwhile insisting to us that we must have no relations with Spain. Last year England and France did \$500,000,000 worth of business with Spain, while we were not supposed to do any business. This year England has signed a \$300,000,000 trade agreement with Spain, while we are forbidden to do any business whatever with Spain.

I was interested to read Mr. Churchill's statement a few days ago, in which he said that 900,000,000 pounds, which I believe is somewhat in excess of \$3,000,000,000, had already been used as advances in credits to other areas. How much was involved in the Spanish affair I do not know, but I assume that credit was one of those involved. Meanwhile we are told that Spain is not a good debtor and we should not have anything to do with her. Spain was very anxious, as represented to our Civil Aviation Authority and to our diplomatic representatives, to acquire American aviation equipment for air fields and for planes.

I am happy to see the chairman of the Armed Services Committee present. I know he shares a knowledge as the result of his extended experience in war and in this Chamber as to the complete interrelation of operations by air in war or peace. In other words the entire defense program of the United States in the air is now keyed to an integrated commercial operation in peace and military operation in war. Every airport in the United States, every one in our possessions, every one in which we have an interest or influence, is now being carried in a great program, through which our aviators in time of peace can operate safely and securely by night and day, in storm and fair weather, and in time of war those facilities would instantly be available for the military operations which are keyed to them.

Mr. President, the same operation should be carried out in Spain at this time, with proper cooperation, in which they are most earnestly interested, because more and more the entire air picture of the globe is being keyed to American matériel and equipment. Yet, disregarding every consideration, England has been using Spain as a dumping ground for her outmoded equipment, while we are being denied the opportunity to facilitate the acquisition by Spain

of the things which are most desirable to them in peace, which are most desirable to us in peace, as we see Spain astride the route which our commercial airliners follow into the Orient and into the Mediterranean.

In time of war, if the opinions of our military critics are to be considered, the Pyrenees might be the only line of defense which we could hold on the European Continent, so it is presumed that American facilities and equipment now desired by the Spaniards might be most vital and effective in preserving the lives of thousands of American boys, and if trouble came, making it possible to bring it to an end.

Mr. President, these are some of the reasons why I feel that relations with Spain should be normalized without delay, and why I earnestly hope that the amendment proposed by the Committee on Appropriations may be recognized as appropriate for consideration, and that it may be adopted by the Senate and Congress, and approved, as I feel confident that it could be carried out with the utmost regard for the interest and the economy of Europe, and for the very vital interest of the United States of America, for whose future peace and security we here are primarily responsible.

Mr. CHAVEZ. Mr. President, I suggest the absence of a quorum.

Mr. McCLELLAN. Mr. President, will the Senator withhold his request for a moment?

Mr. CHAVEZ. I withhold the request at the suggestion of the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, first I wish to ask unanimous consent that the Committee on Expenditures in the Executive Departments may hold an executive session this afternoon while the Senate is in session.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I had intended to propound to the presiding officer two or three parliamentary inquiries, and since I may not be on the floor at a more favorable time to propound them, in view of having to attend this committee meeting, I should like to ask the Presiding Officer a parliamentary question, whether, if there is still legislation in the pending bill, a point of order against the bill would lie at this time, or immediately after the appeal is disposed of, on the ground that the bill does contain legislation, similar to the point of order I made to the bill a few days ago.

The VICE PRESIDENT. The Chair, as he has heretofore indicated, hesitates to pass on a point of order until it is raised. The Committee on Appropriations struck out all the legislative provisions in the House text, by reason of which it withdrew the peg upon which a hat could be hung, to use a common, ordinary expression, justifying legislation in the Senate committee bill. In other words, the committee having stricken out all the legislative provisions of the House text, it would be in no position to offer legislation based upon the fact that the House text contained legislation.

Yesterday one or two legislative provisions which were stricken out by the committee were restored, and are now in the bill. The Chair has not examined those provisions with sufficient care to enable him to indicate whether they are of such a legislative character as would justify a point of order against the whole bill. For that reason the Chair hesitates to indicate what his ruling would be, in advance, if a point of order were made, because he would have to examine the character of the legislative provisions.

Mr. McCLELLAN. Mr. President, in view of the Chair's ruling, and in view of the action of the Senate in sustaining the Chair in his ruling that the amendment which I offered yesterday was legislation and not a limitation, and in view of the ruling of the Chair this morning on the pending amendment, and the appeal which is now pending, and in view of the two other legislative provisions in the bill, which I assume definitely are legislation, certainly, if the other two were legislation, and in view of the fact that there is still legislation in the bill in the nature of Senate committee amendments, if any part of the House legislative provisions have been restored, as they have been, as I understand, then it would be in order to make a point of order against the bill. If the Chair found that legislation had been restored in the House text, and that the Senate committee had undertaken to amend it further by legislative provisions, then a point of order would lie against the bill.

The VICE PRESIDENT. A point of order cannot be made against the bill as reported to the Senate on the ground that there are legislative provisions in the bill. There is nothing the Senate can do about that except offer to strike them out, as the committee did when it reported the bill back, or to offer amendments which are relevant to the legislative provisions of the House text. The Chair has no way of knowing in advance what amendment may be offered from the floor, either on the part of the committee, or by an individual Senator. But of course the rule which the Chair undertook to interpret of a few days ago—from which ruling the Senator from Arkansas took an appeal—covered four or five legislative provisions in the bill, not as it came from the House, but as the Senate committee reported it, which made the whole bill subject to the point of order which the Senator from Arkansas made, and therefore the bill automatically went back to the committee on that point of order.

If the same situation should exist, either because of amendments brought in by the Committee on Appropriations as a part of the bill, or because of committee amendments amending the provisions of the House text so as to create new legislation on the part of the committee, the Chair thinks that the rule would still be applicable.

The Chair does not wish to forego the exercise of his discretion in the future by passing on these matters before they come up.

Mr. McCLELLAN. Mr. President, I had intended to raise this question at a more propitious time in the progress of the bill, but since I shall have to be in a

committee meeting this afternoon, I desired to clarify the situation at this time if possible.

My point of order sent the bill back to the committee a few days ago, after the Senate had sustained the ruling of the Chair that the amendment I was sponsoring was legislation on an appropriation bill. Then I made a point of order against the whole bill, not out of any spirit of resentment at the action which had been taken, but for two reasons, primarily, first, in the hope that the provisions might be so written by the Committee on Appropriations, on further consideration of the bill, that they would meet the test under the rule, and in that way, and by that process, we would be able to get a direct vote, and a determination and a decision of the Senate by majority vote.

Although the committee has failed so far to meet the objections of the rule as interpreted by the Chair and a majority of the Senate, so that we can get votes on the amendments, and have them decided by majority votes, I think returning the bill to the committee and the work the committee had done on it, have pointed up the fact that any bill which comes out of the Senate Committee on Appropriations now with legislation written into it by the committee, or containing what we have in the past generally regarded, and what many of us still regard, as limitations, will be subject to a point of order against the bill itself. If such points of order are made as the bills come before the Senate it will simply mean that the bills must be recommittees to be stripped of all such provisions and come back without them.

Assuming the Chair were to rule with me if I made the point of order on the bill again at this time, I could not accomplish anything other than to have the bill recommitted and in committee have the very provisions stricken out which are being stricken out by the points of order made on the floor. Since the sponsors of the bill oppose any amendments to it, Mr. President, they will achieve their purpose by the process of eliminating each amendment that is at all legislative in character, or carries limitations, as many of us thought, and therefore the amendments will all stand on an equal basis in the further proceedings of the Senate—that is, they will have to be presented and a two-thirds vote for suspension of the rules will have to be employed before any legislative amendment can be considered.

Now, if there were any prospect of any real good being accomplished by sending the bill back to committee, I would make the point of order, Mr. President, but we are going to achieve the same results on the floor by the points of order which will be raised, as I anticipate, if the Chair's ruling is sustained by a majority of the Senate. Therefore, we will have a bill without any amendments in it that can at all be questioned as legislation, except as we adopt the House legislative provisions. We would thereby deny to the Senate the right to legislate by a majority vote on the same bill on which the House has legislated by a majority vote. We will be placed in that situation.

I could make a point of order against one of the earlier amendments in order that all other amendments which follow might be given the same consideration, and that certain amendments will not be subject to the individual whim, possibly, of one Member of the Senate. But I could not accomplish any more by making a point of order again and recommitting the bill than is being accomplished by the present procedure, which would strip the bill of legislative amendments. I could accomplish no more than is being done now under the process now being followed. But, Mr. President, if the rules are to remain as they are now, I feel it would be incumbent upon the Appropriations Committee of the Senate to insert no amendment that contains the least intimation of legislation, and if any such amendment were to appear in a bill, I feel that a point of order should be made against it and let the bill go back to committee, and that every amendment that contains legislation should be subject to the two-thirds vote to suspend the rule.

If we operate in that manner for a while, maybe there will develop some wisdom with reference to the rule, and a proper change will be made in the rule so that this body can function comparably with the other legislative body.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CHAVEZ. I think the statement of the Senator from Arkansas is correct as it relates to writing legislation in an appropriation bill. But if we would stick to our job and cut down the appropriations, possibly we could make some Senators, at least, understand what we are endeavoring to accomplish.

Mr. McCLELLAN. I want to say one more word about this particular bill. In view of the action that has been taken on the bill, it having been stripped, and we having made it impossible to place adequate provisions in it which I think necessary to protect the American people, I say frankly that I cannot and will not support the bill in its present form. I have been perfectly willing to go along and try to give aid and assistance to other peoples, and I am even willing to subordinate my own individual judgment in many instances to the policies of the Government in trying to serve the interests of the world. That is what we hope we are doing in this program. But I will say frankly that I am no longer willing simply to write blank checks and turn them over to the ECA. After we have written conditions into the law which require compliance, at least they should go half way and meet the program. So long as those conditions are not being enforced and we cannot place in the bill protective provisions by legislative process, then I shall not be a party to squandering this money and throwing it away without in some manner looking after the interest and protecting the taxpayers of this Nation against pouring money out without any control over it, without any expression from the Congress as to how it shall be spent, but delegating that to one Administrator, to use his discretion, without

any opportunity on our part to place controls over it.

I have intended to go along with the appropriation bill for whatever amount was finally decided. I favor being as economical as possible, and cutting the amount down to as low a figure as we can, and still carry on the program. I still feel that way about it. But even with the amount reduced as we were able to reduce it in the Appropriations Committee and as it has been accepted here, I cannot vote to spend that huge sum of money in the manner it will be spent under this bill in the form the bill is now before the Senate and in the form it will be when the other amendments, which are objectionable from the standpoint of the rule, as the precedent has been established. I cannot vote for the bill with those provisions out of it. If proper safeguards were provided, I would feel differently about it.

Mr. President, I wanted to make that statement. I want to clarify my position. But I would still make a point of order against the bill if there were any hope of having written into it amendments which would protect the American people as I believe they should be protected in the bill. If it were necessary to do it in order to make the amendments which are being proposed stand on an equal basis, I would make such a point of order. Since they are all being objected to, I assume a point of order will be sustained as to the others, certainly since it has been sustained to the other two. It has never been my purpose, Mr. President, to delay action or to obstruct except for a valid purpose as I see it. We are behind schedule. I think nothing could be gained, and for that reason I shall not make the point of order against the bill. But I believe that in the future we are going to be haunted with this situation with appropriation bills coming here and there are going to be some points of order made against them and they will be sent back to the committee.

Mr. CHAVEZ. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Miller
Anderson	Hickenlooper	Millikin
Baldwin	Hill	Morse
Brewster	Hoey	Mundt
Bricker	Holland	Myers
Bridges	Humphrey	Neely
Butler	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Reed
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Connally	Kefauver	Schoeppel
Cordon	Kem	Smith, Maine
Donnell	Kerr	Sparkman
Douglas	Kilgore	Stennis
Downey	Knowland	Taft
Dulles	Langer	Taylor
Eastland	Lodge	Thomas, Okla.
Ecton	Long	Thomas, Utah
Ellender	Lucas	Thye
Ferguson	McCarran	Tobey
Flanders	McCarthy	Tydings
Frear	McClellan	Vandenberg
Fulbright	McFarland	Watkins
George	McGrath	Wherry
Gillette	McKellar	Wiley
Graham	McMahon	Williams
Green	Magnuson	Young
Gurney	Malone	
Hayden	Martin	

The VICE PRESIDENT. A quorum is present.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. McKELLAR. Mr. President, at this point I should like to present an article from the Washington Times-Herald of this morning and ask for its insertion in the RECORD. The headline of the article is: "Farm funds rider barred from aid bill."

I wish to read one paragraph from the article:

Hoffman, who spent the afternoon at the Capitol trying to persuade Senators to oppose the plan—

Meaning the McClellan amendment—had charged it would put the recovery program in a strait-jacket.

Mr. President, I ask that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM FUNDS RIDER BARRED FROM AID BILL—SENATORS SUPPORT BARKLEY RULING, 52-32

Vice President BARKLEY yesterday ruled out of order an amendment freezing \$1,350,000,000 in Marshall-plan funds for purchases of American surplus farm products.

His ruling, a smashing victory for administration forces, was promptly upheld by the Senate, 52-32, on a test vote forced by Chairman McKELLAR, of Tennessee, whose Appropriations Committee tacked the rider onto the bill.

The rider would have compelled foreign-aid chief Hoffman to use \$1,350,000,000 of his Marshall European recovery plan funds to buy United States farm goods, or turn the funds back to the Treasury.

HOFFMAN ACTIVE IN FIGHT

Hoffman, who spent the afternoon at the Capitol trying to persuade Senators to oppose the plan, had charged it would put the recovery program in a strait-jacket.

BARKLEY held that the Appropriations Committee had violated the Senate rules by trying to make a fundamental change in the Marshall plan via the money-bill rider.

A dispute over the same subject last week touched off a confused parliamentary row which resulted in sending the entire bill back to McKELLAR's committee for redrafting.

But the committee returned it to the floor with the rider, sponsored by Senator McCLELLAN, Democrat, of Arkansas, still in it.

CHALLENGED BY LUCAS

BARKLEY acted on a challenge by Senate Democratic leader LUCAS, of Illinois, who contended that "the integrity of the Senate's rules" was at stake and charged the Appropriations Committee with exceeding its authority.

In the face of BARKLEY's ruling, the Senate cannot even consider the farm rider unless a two-thirds majority votes to suspend the rules. That appeared a highly unlikely possibility.

A similar fight is expected, perhaps today, when the Senate takes up another committee rider which would set aside \$50,000,000 for aid to Spain, a nation not included in the Marshall plan.

Mr. McKELLAR. Mr. President, I wish to read into the RECORD section 1913 of the United States Code, dealing with congressional service. I ask Senators to listen to this:

SEC. 1913. Lobbying with appropriated moneys: No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress,

be used directly or indirectly to pay for any personal service; advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

This statute applies to every officer of the Government. Unless he is requested by a Member of Congress to talk about legislation, or concerning appropriations, he is forbidden to do so.

I continue to read, and I emphasize this paragraph:

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment (18 U. S. C. 1913, p. 2319, United States Code Congressional Service).

I ask Senators to look at the voluminous record. They will find that Mr. Hoffman was asked by the committee to appear before it, and he appeared and testified in extenso as to all the facts.

Mr. President, I wonder which Senator, if any, has requested Mr. Hoffman to come here today, or requested him to come here yesterday. I am informed that there is talk of lobbying with Senators. Will any Senator who requested Mr. Hoffman to come here and talk to us rise now? I see no Senator rise, yet I am informed on the highest authority—I have not seen Mr. Hoffman here myself—that he was here all day yesterday and that he is here now.

Mr. President, that is all I have to say.

Mr. DONNELL. Mr. President, I wish to address myself very briefly to the appeal which now is pending before the Senate.

It was my misfortune to be out of the Chamber when the Vice President rendered his decision earlier today. I understand that he sustained the point of order directed against the provisions of the amendment in lines 15 and 16 on page 4 of the bill, that—

Fifty million dollars shall not be available for any other purpose than assistance to Spain.

I think the appeal should not be decided at all on the basis of whether we favor assistance to Spain. As I see it, the latter question is one purely upon the merits, which will come up later if this particular amendment is allowed to be voted on by the Senate.

As I see it, the sole question is whether under rule XVI the point of order is well taken.

Mr. President, it seems to me the point of order is not well taken. I believe there are two grounds on which the point of order could have been submitted, and doubtless was submitted. The first is that the Appropriations Com-

mittee shall not submit to an appropriation bill amendments containing new or general legislation. I do not think the provision that "\$50,000,000 shall not be available for any other purpose than assistance to Spain" is new legislation. I submit that it is clearly not new legislation. The reason this provision with respect to \$50,000,000 is not new legislation is because of the fact that a grant of funds to Spain is already permissible under existing law. I refer particularly to the contents of section 102 (b) and section 103 (a) of Public Law 472, the Foreign Assistance Act of 1948.

Section 102 (b) provides, among other things, that—

It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section—

That is to say, section 102 (a)—

by furnishing material and financial assistance to the participating countries—

And so forth. Section 103 (a) provides, among other things, that—

As used in this title, the term "participating country" means—

One of two things, Mr. President—

(1) Any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947—

I pause at this point to state that I assume, of course, that it is a matter of common knowledge, of which all of us can take legislative notice, that Spain did not sign the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and consequently Spain would not come under the designation of "participating country" within the class just described.

But section 103 (a) does not stop after listing that first category of countries which are included within the term "participating country." On the contrary, it provides that—

(2) Any other country—

And I call attention to the fact that there is no restriction there in any way whatsoever—

(including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

Before reading the next clause, Mr. President, I pause to say that, clearly, Spain is included within the description "any other country * * * wholly * * * in Europe," and therefore clearly comes within the term "participating country."

Section 103 (a) proceeds, however, as follows:

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

Mr. President, whether Spain will adhere to, will be permitted to adhere to, and, if it does adhere to, will remain an adherent to, such a joint program is not, as I see it, material to this point. The fact is that under the terms of section 103 (a), Spain is within the term "par-

ticipating country," provided she adheres to and remains an adherent to the joint program.

So, Mr. President, Spain comes under the term "participating country"; and the amendment restricting the use of the \$50,000,000 by the language that—

Fifty million dollars shall not be available for any other purpose than assistance to Spain.

Does not bring about new legislation by which Spain is granted privileges not already in existence.

In the first place, Mr. President, this appropriation bill does not in any sense seek to repeal any part of section 103 (a). So if Spain adheres to this program and remains an adherent to it, Spain is entitled to receive funds as a participating country.

Therefore, Mr. President, when the amendment is adopted, if it is, thus providing that "\$50,000,000 shall not be available for any other purpose than assistance to Spain," of course it is true that before Spain can actually receive any proceeds under that provision or under the bill, she must first have been permitted to adhere to the joint program for European recovery; and if she does not adhere to it and does not remain an adherent to it, of course, Spain cannot receive any of these funds, for such time as she is not an adherent to that joint program.

The point I make is that there is nothing in this appropriation bill, so far as I observe, that in any sense adds to the present law. This amendment does not provide that in all events Spain shall be entitled to receive assistance. The amendment simply prohibits the use of any of the \$50,000,000 for purposes other than assistance to Spain, and if Spain shall be permitted to become an adherent of the joint program, she then becomes eligible. But there is nothing in the appropriation bill which ever remotely undertakes to make Spain eligible for relief. So, Mr. President, I submit, first, that the portion of rule XVI which provides, "The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation," is not violated by the terms of the proposed amendment to the appropriation bill now pending.

But, Mr. President, rule XVI goes further. It not only prohibits the reporting of an appropriation bill containing amendments proposing new or general legislation, but it also prohibits the reporting by the Committee on Appropriations of an appropriation bill containing amendments proposing "any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of the contingency."

Let us examine the amendment reported by the committee, to the House bill 4830, so as to determine whether the amendment is a restriction which is to take effect or cease to be effective upon the happening of a contingency. I take it clearly, it is a restriction. Of course, it is a restriction. It acts as a restriction with respect to the \$50,000,000. If

we shall adopt the amendment, the \$50,000,000 will be effectively tied up and will not be available for use for any purpose other than that of assistance to Spain.

I digress incidentally to say, of course, that is not at all saying the \$50,000,000 can or will be used for assistance to Spain for, as I indicated a few moments ago, in order that Spain may become eligible she must comply with the terms of the Economic Cooperation Act of 1948. But I say the provision with respect to the \$50,000,000 is of course a restriction. Yet it is not every restriction which is prohibited by the terms of rule XVI. It is only such a restriction as is "to take effect or cease to be effective upon the happening of a contingency." I submit that the amendment, reading as it does, very simply and very briefly, that the \$50,000,000 shall not be available for any other purpose than assistance to Spain, is not one which is to take effect or to be effective upon the happening of a contingency. I submit that the amendment which I have read takes effect forthwith, instantaneously, upon the enactment of the bill, and it is not subject either to taking effect or ceasing to be effective upon the happening of a contingency. No contingency enters into the question as to whether the amendment takes effect. As a matter of fact, it is of course true that whether Spain ultimately shall receive any money under the appropriation does depend upon a contingency, namely, the one to which I referred a few moments ago, the adherence to and the remaining adherent to a joint program for European recovery. But Mr. President, that is in the fundamental act, the Economic Cooperation Act of 1948, and the restriction against the use of the \$50,000,000 for any other purpose goes into effect forthwith and is not contingent upon anything.

Mr. President, whether Spain ever gets any of the \$50,000,000 or not, the \$50,000,000 which is held up and tied up effectually by the amendment cannot be used at any time for any other purpose than that of assistance to Spain. Therefore the effectiveness of the amendment is not contingent upon the happening of any event, or upon the happening of any contingency. The amendment simply ties up \$50,000,000 and puts it on a shelf. It cannot be used after it is put on the shelf except for one particular purpose. The moment the bill goes into effect, the \$50,000,000 goes on the shelf instantaneously. There is no contingency as to which the amendment is in the slightest restricted.

Therefore, Mr. President, I respectfully submit first, the appeal should not be decided upon the basis of whether we favor assistance to Spain. Incidentally I may say I do not think it should be decided upon the basis of what any other country in the world thinks of our action. I believe the rules of the United States Senate are of such dignity and importance that the Senate should enforce them, it should follow them, and whatever any other country may think about it, to my mind, is absolutely immaterial. If there is a rule of the Senate which is unwise, we should repeal it; but so long as it is a rule of the Senate, it should be

followed, provided anyone shall make a point of order under the rule.

So, Mr. President, I say, the appeal should not be decided upon the basis either of whether we favor assistance to Spain or on the basis of what some other country may think about us by reason of our action this afternoon.

The second point I have made, or attempted to make, is that the sole question on the appeal is whether, under rule XVI, the point of order is well taken. I have submitted first that it is not well taken, because the amendment does not propose new legislation; and in the second place, that the amendment does not violate either the provision against new legislation or the provision against restrictions to take effect or cease to be effective upon the happening of a contingency, because the amendment goes into effect instantly upon the passage of the bill and is not subject to any restriction whatever.

Mr. CORDON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Oregon?

Mr. DONNELL. I am glad to yield.

Mr. CORDON. I want to say to the Senator I congratulate him upon his presentation, and to say to him I am in full agreement with his reasoning and with his conclusion.

Mr. DONNELL. I thank the Senator.

Mr. LUCAS. Mr. President, I am sorry the distinguished Senator from Missouri was not in the Chamber when I made the point of order this morning, otherwise I am sure he could have saved himself and the Senate some time. I made no contention in respect to the second part of rule XVI dealing with a restriction involving a contingency. The Senator has made much ado about that point. I agree with him, there is no contingency involved here at all. I made the point of order with respect to the first phase of rule XVI, which says that the Appropriations Committee shall not report an appropriation bill containing amendments proposing new or general legislation.

I am merely going to say a word or two in reply to the distinguished Senator from Missouri. It seems to me that the Senator relies upon a rather tenuous proposition in his argument in favor of overruling the Chair—that is the phrase "any other country." Whether that is or is not the law, Spain could at the proper time come within the act, provided certain things happen.

I call attention to the fact that the amendment drastically changes the declared policy of Congress in enacting the Economic Cooperation Act. Section 102 (a) sets forth the following declaration:

It is declared to be the policy of the people of the United States to encourage these countries through their joint organization—

I repeat, through their joint organization. The countries that are in the program at the present time have assembled and organized jointly and have presented their program to the United States of America. Spain is not in that group. I quote further from section 102a—

through a joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity.

In other words, Mr. President, if and when the countries of Europe who initiated this program decide that Spain should come into the program, Spain will be eligible to participate, and not before. The amendment before us is an effort to drive Spain into an organization to which she has made no application for membership at any time. Spain has not requested a single dime of this \$50,000,000. It is my understanding she is now negotiating, or endeavoring to negotiate, a loan through the International Bank.

Mr. CHAVEZ. Mr. President—

Mr. LUCAS. Let me finish my argument, and then I shall be glad to yield.

A declaration of policy is also set out providing for the granting of aid to those countries which participate in a joint recovery program based upon self-help and mutual cooperation.

Mr. President, the remedy for Spain is the same as that for Korea. It is a separate proposition. The nations of Europe which have already joined together for mutual aid and self-help should have something to say as to whether or not Spain should come into the program. Let it be understood that I am not speaking against Spain as a nation; I am attempting to argue a point of order which is involved here.

If I may digress for a moment, I was in Spain last year, and I have a great deal of sympathy for the Spanish position. I am certain that we could well have closer relations with that country, but that is not the issue. I am not debating it upon its merits, I am debating a point of order vital to the integrity of the rules of the Senate of the United States.

The amendment, Mr. President, is legislation in an appropriation bill, because if we did what is intended to be done by this amendment, we would absolutely change the declaration of policy which I have been reading to the Senate. In that declaration of policy Congress has endorsed a joint organization of European countries. We have appropriated money and are appropriating it for the second time, in order to help those countries which are members of that joint organization. This amendment ignores the machinery of that organization for accepting new members. The policy provides, also, that aid may be given only to those countries which participate in a joint recovery program based upon mutual cooperation. This amendment repudiates mutual cooperation. This \$50,000,000 should not go to Spain until Spain, through a joint program with all of the nations, is mutually cooperating toward the recovery of Europe. The amendment, which forces Spain into the European recovery program, is in direct conflict with the declared policy of the basic law, the European Economic Cooperation Act. I want to emphasize that the declared policy of Congress makes aid dependent upon mutual cooperation. The amendment repudiates mutual co-

operation by singling out a nation without consideration or regard to whether it mutually cooperates in the over-all objective of European recovery.

Can there be any question about that, Mr. President? Can there be any doubt in anyone's mind that an amendment is legislation which effectively changes the declared policy of Congress, as was so well pointed out by the distinguished Vice President this morning in sustaining the point of order?

Mr. President, this is a serious question from the standpoint of the rules of the Senate of the United States. Those who talk about the majority leader making a point of order with respect to whether an amendment is legislation in an appropriation bill have themselves done the same thing. The minority leader made that point this morning. If he were majority leader, and if it were necessary to make a point of order with respect to the two-thirds rule, I imagine he would not hesitate to make it. I am not invoking any new rule of the United States Senate. This is a rule which has been in effect for a long time, long before any Senator who is here today came to the Senate of the United States. It is a good rule, a proper rule, Mr. President; but so long as we treat that rule with disrespect and permit legislation in an appropriation bill simply because we may be in favor of the merits of the proposition, we are doing an injustice to the integrity and the dignity of the Senate of the United States.

I appeal to Senators, not from the standpoint of the merits of this amendment, but from the standpoint of upholding and maintaining the dignity and the integrity of the rules of the Senate. In my humble judgment, the ruling of the Chair is correct. I regret that all Senators did not hear the ruling which was made.

I now yield to my friend from New Mexico.

Mr. CHAVEZ. I shall wait until the Senator finishes his remarks.

Mr. LUCAS. I yield the floor.

Mr. CHAVEZ. Mr. President—

The VICE PRESIDENT. The Senator has spoken twice on this subject. The Chair will not invoke the rule, however.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senator from New Mexico may speak again on the question.

Mr. CHAVEZ. I thank the Senator.

The VICE PRESIDENT. The Senator from New Mexico is recognized.

Mr. CHAVEZ. Mr. President, with all due respect to the Senator from Illinois, the majority leader, and his purpose, that of protecting the rules of the Senate, I hope that his solicitude will continue as to other bills and not only those which he thinks are subject to a point of order. With all due deference to the majority leader, he is no more privileged to emphasize his respect for the Chair and the ruling than Senators who might think the Chair may have made a mistake in this particular instance.

I said before, and I repeat, that no one doubted the integrity of the Chair in his ruling. I thought the Chair was tech-

nically correct. But I say that in interpreting the rules of the Senate, when it comes to a question of national policy, a matter which involves the welfare and future of our country, the Senate has a right, no matter how meritorious the ruling may have been technically, to refuse to sustain the ruling.

I differ with the majority leader, the able Senator from Illinois, regarding this proposition. I know that, technically, the law says "jointly," but we cannot get Communists in a country jointly concerned ever to agree with us. It will take direct action by the United States in this instance. The Communists will not permit us to invite Spain to participate, therefore, in carrying out our over-all policy, the Committee on Appropriations and the Senate of the United States may well take action in order to carry out that policy. I cannot see anything wrong in such action.

My present position has not been taken because the Chair ruled in this manner. I respect the Chair. No one has a kinder feeling for the Chair than I. There has not been a presiding officer in this body in its entire history who, in my opinion, gives more sincere rulings than does the present occupant of the Chair. But because I feel this way does not mean that the welfare of the country should be overlooked, even though the Chair rules correctly so far as the technicalities are concerned.

To my mind, the welfare of the country is more important than any ruling. I believe in law, order, and country. I love the United States. I love to feel that what we are doing is sincerely done, that we mean what we say. I want to convince myself of that to the utmost.

When we speak of helping people to be rehabilitated, it is right and just. Is there anything in the basic law that says that Spain should not participate? There is not a thing. Spain should participate in the benefits of the ECA law which the Congress of the United States passed. But it cannot participate, because subversive elements within the countries in Europe which are the beneficiaries of our largess do not want Spain to participate.

Have we a duty to ourselves, in carrying out the basic law, to say something about that? The Committee on Appropriations is headed by the noblest Roman of them all, the Senator from Tennessee [Mr. McKellar], who has devoted the best years of his life to his country. Is he trying to put something over on the Senate? Is the Senator from Oklahoma [Mr. Thomas], who is doing me the honor to listen to what I have to say, trying to put something over on the Senate? Is the Senator from Nevada [Mr. McCarran] trying to put something over on the Senate? Is the Committee on Appropriations as a whole trying to put something over? Is the Senate as a whole trying to put something over? Should we do what some administrative assistant in some department wants to have done? Are we supposed to cross a "t" or put in a comma? We are not supposed to change a thing; we are not supposed to reduce an appropriation one cent. All we are supposed to do is to give them the

money through the Committee on Appropriations. After that we are nuisances, and nothing else.

I still think that as members of the committee, and as Members of the United States Senate, we have a duty to our constituents and our Nation to argue for those things which we think carry out the law and the general policy adopted by the Congress.

Why not include Spain in this instance? Who does not want Spain included? Do the churches of England not want it? Do the working people of England not want it? Do the liberal people of England not want it? Do the liberal people of any country not want it? Do the liberal people of the United States not want it? The only ones who will be pleased if Spain is left out are the Communists. Would the Senator from Illinois by his point of order please Communists in Chicago rather than please the average fair-minded person in the United States? I repeat, the men who are being tried under Judge Medina—and I hope they get a fair trial—will be pleased, more so than other people. A ruling sustaining the point of order will not please the fine Christian people of France, Italy, England, or any other country, but every Communist will be pleased. Those who persecuted Cardinal Mindszenty in Hungary will be pleased. "Uncle Joe" will be pleased. The Communists in Czechoslovakia will be pleased. I hope consciences within the United States are clear. The ruling of the chair should be overruled by vote of the Senate.

Mr. McCARRAN. Mr. President, just a final word on the amendment. This amendment is not legislation on an appropriation bill. The amendment is squarely within the language and provisions of the law. The amendment reads "\$50,000,000 shall not be available for any other purpose than assistance to Spain."

This is the statement appearing in the report:

In approving this provision, the committee does so with the understanding that the assistance is to be extended upon credit terms as provided in section III (c) (2) of the Economic Cooperation Act of 1948, as amended.

It comes squarely within the provisions of the law. What are the provisions of section III (c) (2)? I read from page 11 of the act:

(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 * * * as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems.

Mr. President, this is not a gift to Spain, this does not come within the category of her participating in a group. It is a loan made to Spain, and in my judgment it will be one of the few loans that will be paid back. It is made under specific provision of the law. There is no contingency whatsoever. The law has

long since been written; it is on the statute books, and it makes provision for this very situation.

Shall we turn Spain down? The learned Senator from Illinois says that Spain is not asking to come into the family of European nations. The Senator has not been properly advised. Spain is today a suppliant, if you please, with her petition pending before the Council in Paris asking that she be taken into the family of nations set up under the ECA. Her application is pending there, and if this appropriation is made, she will have taken at least one broad stride toward coming into the family of nations of Europe.

Mr. President, with all due respect for the Presiding Officer, I hope that the fine respect which this body holds for its Presiding Officer will not cause it to swerve from the right. I hope that we will not be timid about overruling a decision of the Chair. I hope that that which is used as a subterfuge to defeat something which some do not want put into the law will not be used to sabotage the finest principles of law as they have been written.

The VICE PRESIDENT. The Chair would like to make the observation that he does not wish to argue the point of order or his own ruling, but the Chair was guilty of no subterfuge in making this ruling. He made the ruling because he thought it was in compliance with the rules of the Senate, and if this amendment is held in order, an amendment to set aside \$100,000,000 for Bulgaria, or \$150,000,000 for Russia, or for any other country not in the ECA program, would likewise be in order.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. McCARRAN. Mr. President, I understand the yeas and nays have been ordered.

The VICE PRESIDENT. The yeas and nays have been ordered, and the Secretary will call the roll.

The roll was called.

Mr. MYERS. I announce that the Senator from Montana [Mr. MURRAY] is absent on public business.

I announce further that the Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate, and if present would vote "yea" on this question.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is detained on official business. If present and voting, the Senator from New Jersey would vote "yea."

The result was announced—yeas 55, nays 36, as follows:

YEAS—55

Aiken	Green	Long
Anderson	Hayden	Lucas
Baldwin	Hickenlooper	McFarland
Byrd	Hill	McGrath
Chapman	Hoey	McMahon
Connally	Holland	Magnuson
Douglas	Humphrey	Martin
Downey	Hunt	Morse
Dulles	Ives	Myers
Ellender	Johnson, Tex.	Neely
Flanders	Johnston, S. C.	O'Connor
Frear	Kefauver	Reed
Fulbright	Kerr	Robertson
George	Kilgore	Saltonstall
Gillette	Knowland	Smith, Maine
Graham	Lodge	Sparkman

Taylor
Thomas, Utah
Thye

Tobey
Tydings
Vandenberg

Williams

NAYS—36

Brewster
Bricker
Bridges
Butler
Cain
Capehart
Chavez
Cordon
Donnell
Eastland
Eaton
Ferguson

Gurney
Hendrickson
Jenner
Johnson, Colo.
Kem
Langer
McCarran
McCarthy
McClellan
McKellar
Malone
Miller

Millikin
Mundt
O'Mahoney
Russell
Schoeppel
Stennis
Taft
Thomas, Okla.
Watkins
Wherry
Wiley
Young

NOT VOTING—5

Maybank
Murray

Pepper
Smith, N. J.

Withers

So the decision of the Chair stood as the judgment of the Senate.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, on page 4, line 23, after the numerals "1950", to strike out the following additional proviso: "Provided further, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending May 15, 1950."

Mr. HAYDEN. Mr. President, good faith requires the adoption of this amendment, which changes the period of time from 10½ months to a year. It will be noted that in lines 1 and 2 on page 4 of the bill the amount of money has been increased from \$3,568,470,000 to \$3,628,380,000. The increase is justified because the expenditure is to be spread over a 12-month period. Therefore the committee amendment should be adopted.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, beginning in line 23.

The amendment was agreed to.

The next amendment was, on page 5, after the amendment above stated, to insert a colon and the following additional proviso: "Provided further, That no part of the funds herein appropriated with respect to which local currencies are deposited as provided in section 115 (b) (6) of the Economic Cooperation Act of 1943, as amended, shall, after deposit in local currency accounts as a result of assistance furnished, be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (2) causes or permits any area dependent upon it (as designated in the bilateral agreements) to fail to comply with any such treaty."

Mr. LUCAS. Mr. President, if any Senator desires to make a general statement on the amendment before I make the point of order, I shall reserve it. I shall make the point of order and state the same reasons which I stated yesterday with reference to both provisions of rule XVI. The amendment is legislation on an appropriation bill, and also involves a contingency where a restriction is involved.

Mr. RUSSELL. Mr. President, in this atmosphere I am somewhat reluctant

to undertake to discuss this point of order, because the Senate has made it clear by previous votes that it is determined that nothing shall go into this bill which might be contrary to any view expressed by another committee of the Senate.

I think perhaps when all this has blown over, the votes, particularly that of yesterday, will be helpful to the Senate in the future. So far as I am advised, the ruling of the Chair yesterday with respect to the amended rule XVI, which denies any limitation which is subject to a contingency, is the first ruling on that subject that has ever been made by a presiding officer of the Senate. Any difference of opinion we might have held on the subject of contingencies have now been settled by the Senate, which in the last analysis makes its own rules. In the future the Appropriations Committee—at least I, as a member of that committee—will undertake to be more strictly guided by the restrictive rule which was approved by the Senate yesterday.

Mr. President, I shall not consume the time of the Senate in discussing that ruling, or the effect of it, because I shall not argue against this point of order on that ground. I submit to the Chair that wholly on the constitutional issues involved the point of order has no merit.

In the bitterness of debate, when our feelings toward the subject matter of amendments as often persuade our position on parliamentary issues as any other factor, we sometimes lose sight of the Constitution of the United States. There are other areas and other activities of Government where, I regret to say, the Constitution does not have the sanctity it had in years gone by.

Mr. President, I place my defense of the legality and propriety of this amendment squarely on the ground that the Constitution of the United States is the supreme law of the land. It is superior to any rule of the Senate. It is supreme even to any view which might be held by the administrator of any agency which has been created by the Congress.

Article VI of the Constitution contains these words:

This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

This amendment undertakes to assert a very simple proposition. It is that when a treaty, which is the supreme law of the land is violated, the Congress has the right to place a limitation on the appropriation of funds, in order to deny such funds to a violator of that treaty.

There can be no issue raised as to the jurisdiction of the Committee on Foreign Relations. The jurisdiction of the Committee on Foreign Relations in dealing with the ratification of a treaty is clear and inescapable. This amendment does not invade that jurisdiction but merely places a limitation on funds which might go to the violator of a treaty already ratified.

If the Chair sustains the point of order, he will, in effect, rule that no limitation can be written into an appropriation bill withholding funds which are likely to be expended in violation of the Constitution. The Constitution attaches to a treaty the same sanctity it accords the written words of that document. The Constitution and treaties entered into under it constitute the supreme law of the land. No mere rule of contingency, indeed, no technicality whatever can properly be used to deny the right of the Senate to adopt a pure limitation designed to prevent funds appropriated from the Federal Treasury from benefiting one who violates the supreme law of our country. This language does not involve any question of contingency. It is an expression from the Congress of the United States that it proposes to use its powers over these funds to enforce a solemn treaty with another state, a treaty which has been approved by the Foreign Relations Committee, a treaty which has been confirmed by the United States Senate, and which has been in existence for many years.

I submit that any technicality in our rules as to contingencies does not apply in this case. No question of legislation is involved, because the amendment is a limitation upon a fund which is appropriated. The amendment merely provides that those who have entered into treaties which we have accepted in good faith must likewise conform in good faith or they shall not receive any of the funds appropriated in this bill.

Mr. President, I do not wish to belabor this point, because I think I know something of the feeling of Members of the Senate. We have already become somewhat tired, and a few of us have been irritated by the parliamentary discussions. However, I submit to the Chair the argument in behalf of the propriety of this amendment the fact that it is a pure limitation. It is the only means available to the Congress to prevent unilateral violations of a treaty by another power from injuring American citizens.

The Constitution is not so popular in some quarters as that document has been in days gone by. There are many who believe that it should not be the supreme law of the land. Indeed, forces are working today to take away some of the virtues which our forebears attached to this document.

Surely a limitation which would prevent benefits from flowing from our Treasury to a violator of a solemn treaty made with the Government of the United States by any other power is not subject to a point of order. It is a limitation pure and simple. I submit it to the Chair on the grounds that the Constitution is the supreme law of the land, and that in the case of a treaty with a foreign power of equal dignity, a pure limitation upon an appropriation does not fall within any rule which has been invoked here or within any ruling which has been sustained by the Senate within the past 2 days.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. LONG. Was the treaty in effect at the time when the rule was drawn up, or was the rule drawn up before the treaty went into effect?

Mr. RUSSELL. I had not intended, for the purposes of this discussion, to go into any details of the treaty. But I have understood that a treaty of the same force and effect has been in existence for more than 100 years.

Mr. LONG. Then it would not be proposed, by putting the rule into effect, to violate the supreme law of the land, would it?

Mr. RUSSELL. I had not understood that any Senator would argue that a Senate rule could violate the Constitution of the United States. Certainly the Senate by adopting a simple rule could not repeal an article of the Constitution.

The VICE PRESIDENT. Will the Senator from Georgia permit the Chair to ask him a question?

Mr. RUSSELL. Mr. President, I shall be happy to undertake to answer. I am flattered that the Chair would address a question to me.

The VICE PRESIDENT. The Senator from Georgia knows with what high regard the Chair values the opinions of the Senator from Georgia.

Mr. RUSSELL. I thank the Chair for that compliment, but I am simply a humble student of the rules of the Senate. I shall study carefully the rulings of the past few days, because it would seem that the Senator from Georgia is the poorest sort of judge of the meaning of the rules of the Senate, in view of the fact that some of the recent rulings have been entirely contrary to the Senator's understanding of the rules. Nevertheless, I thank the Chair for the compliment.

The VICE PRESIDENT. Congress frequently has passed laws which have been held unconstitutional by the Court.

The inquiry of the Chair is this: When a bill, joint resolution, or measure in any other form is pending before the Senate, will a point of order lie against it on the ground that it is in violation of the Constitution? Does a point of order properly lie against a bill, resolution, or any other proposal which may come before the Senate, on the ground that it is unconstitutional or in violation of the Constitution?

Mr. RUSSELL. Mr. President, I have not understood that such a point of order has been ruled upon by the Chair. Of course, I have heard prolonged arguments on the floor of the Senate on the ground that some measure was unconstitutional but I do not think the Chair could properly pass on such a point if it were raised.

The VICE PRESIDENT. The Senator's reply confirms the Chair's impression, namely, that although a bill or other legislative proposal may be unconstitutional, the Senate may still pass or adopt it, and a point of order does not lie against it on the ground that it is unconstitutional.

Mr. RUSSELL. Mr. President, I did not submit any such point of order as that.

The VICE PRESIDENT. No; the Senator from Georgia did not submit such a point of order. He was arguing against the point of order made by the Senator from Illinois.

Mr. RUSSELL. That is correct. I was arguing—and let us consider the matter without regard to any particular state of facts—in regard to the proposition of whether a treaty violator can be denied the right to receive the benefits of these funds by a limitation in an appropriation bill. In my judgment, the question as to whether a treaty has been violated would be left to the judgment or analysis of the man to whom we have delegated all these other vast powers, namely, the Administrator of the European Cooperation Administration Act. We would leave it to him to see that none of these funds went to any nation which was a treaty violator. I do not think the Chair can pass on the question as to whether there has been a violation. That is a matter for the executive branch of the Government to determine.

I had not intended to go into the question of the recent rulings. But I did not think the Chair had a right to take judicial cognizance as to whether Spain was in the United Nations. I did not think the amendment related to that in any way.

The VICE PRESIDENT. The Chair did not take cognizance as to whether Spain was in the United Nations. The Chair took legislative cognizance of the fact that Spain was not a participant or signatory to the agreement signed at Paris on September 22, 1947.

Mr. RUSSELL. Yes; that is what I understood.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I should like to have the Senator's view on this suggestion: Does the Senator from Georgia believe that a provision in an appropriation bill—in particular, the ECA appropriation bill—to the effect that any participating country which refuses to devote the money allowed to it to the purposes for which the Administrator directs the money be used shall thereafter be denied such money, would be a proper provision?

Mr. RUSSELL. I certainly think it would be in order as a limitation and also because it would be authorized by law.

Mr. HICKENLOOPER. What would be the Senator's opinion as to whether such a provision would be a proper one for the Appropriations Committee to place in this measure?

Mr. RUSSELL. Mr. President, the powers of the Appropriations Committee have been sharply delimited by what has taken place recently. That may be for the good of the administration of the Senate; it may assist us in the future operations of the Senate as a body. I am quite sure that, all other things considered, after some of the events of the past several days, the Appropriations Committee will be exceedingly careful

about anything it places in an appropriation bill hereafter.

But my view is that the power of limitation has not been completely destroyed. It has been broadly used in times past. Now it has been narrowed.

Mr. HICKENLOOPER. My purpose in asking the question of the Senator is to inquire whether there might be an analogy. It would seem to me that it might be proper for the Appropriations Committee to say in this measure that any participating nation which refused to use the aid in the manner and in the field directed by the Administrator, should be denied future aid. That would seem to me to be a perfectly proper provision.

Then to go a step farther, I wonder whether the Senator from Georgia believes there is a similarity between such a provision and a provision to the effect that any participating country which violates its treaty with the United States shall be denied further aid.

I should like to hear the Senator's views on that comparison.

Mr. RUSSELL. At the outset of my remarks I stated—and I do not wish to discuss this matter at length—that in my opinion this is a definite limitation which does not fall within the inhibitions of rule XVI, even with the construction placed upon it by the vote taken yesterday. I think it is just as much in order as would be a limitation that the funds contained in an appropriation made hereafter could not be expended for any unconstitutional purpose which the Congress might designate, just as in this case this amendment provides that the funds cannot be expended for the benefit of any nation which violates a solemn treaty with the United States of America.

Mr. LONG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LONG. Does not rule XVI provide that—

Nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

That being the case, is not this a restriction which is authorized by law, for could not the Administrator at any time take cognizance that such nation was violating a treaty with the United States?

Mr. RUSSELL. The Senator from Louisiana has clarified what I undertook to express when I said this amendment was authorized by the supreme law of the land and was intended to implement and enforce the supreme law of the land, as set forth in the Constitution of the United States.

Mr. President, I have yielded the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I do not know, Mr. President; I may wish to have something to say on this subject a little later, and I do not want this to be counted as a second speech.

The VICE PRESIDENT. It will not be; the Senator is extending his first speech.

Mr. RUSSELL. Very well.

Mr. SALTONSTALL. Is it the understanding of the Senator from Georgia that these words are really unnecessary; in other words, that the Appropriations Committee put in the language, but that it is not really necessary because such payments cannot be made to any country which is violating a treaty with us?

Mr. RUSSELL. Oh, no; I did not make that statement at all. As a matter of fact, I think the payments have been made. But for the purposes of this argument, I did not want to go into the merits or demerits of the treaty.

I did not say it could not be done, because undoubtedly the Administrator has construed the law as permitting him to pay funds to a nation which has violated a treaty with the United States. But under the supreme law of the land, the Constitution of the United States, the Congress can still say, by way of this limitation, to the Administrator, "If you find a nation to be in violation of a treaty with the United States, you shall discontinue aid to that nation."

I did not say it would be illegal to pay it to a nation which was a treaty violator, but that the Congress had a right to put a limitation on the fund which would call it to the attention of the Administrator and cause him to discontinue payments to a nation that was in violation of a treaty.

Mr. VANDENBERG. Mr. President, I desire to make only a brief observation. It seems to me this particular amendment most perfectly demonstrates the reason for the existence of the rule against legislation on an appropriation bill, for this reason: All the issues involved in the amendment were debated at great length when the ECA authorization bill was pending. Everything in the amendment was offered in the first instance frankly and flatly in the form of legislation. Not only that, but in the course of 2 days of debate the Senate itself twice voted by a yea-and-nay vote on the precise subject matter of the amendment. In one instance the result was 22 yeas, 59 nays; in the other instance, 35 yeas, 45 nays.

Without reopening the question of the merits of the issue, which was closed in the appropriate legislative forum when the issue was raised in proper legislative form, I respectfully submit that if ever any words were identified as legislation, these words are identified as legislation by the history of the words in this session of Congress.

The VICE PRESIDENT. Will the Senator permit the Chair to ask him a question?

Mr. VANDENBERG. I yield.

The VICE PRESIDENT. In the basic act upon which all the ECA appropriations are founded, there is a section—the Chair has not been able in his haste to refer to it—providing for the withdrawal of assistance to any participating nation which fails to carry out its agreements with respect to the conditions under which the aid is proffered. That is not the exact language, but the Chair thinks he has stated the substance of the provision. Is the Chair correct about that?

Mr. VANDENBERG. Speaking generally, I think so.

The VICE PRESIDENT. The amendment, however, apparently does not apply to any failure on the part of a participating country to carry out its agreements under the act for self-help and for cooperation within the limits of the nations participating and with the United States. But it seems to go further than that and to provide that if any such country is violating any treaty, whenever made, however long it may have existed, and although it may have no relationship to the ECA Act, under those conditions, the fund deposited as a result of the act and of the provisions, shall not be used. Is it the Senator's viewpoint that the amendment, which applies to any treaty heretofore made with any of the participating countries that is being violated, would go beyond the basis of the original act, which provides for the withdrawal of assistance in case any participating nation fails or ceases to carry out its obligations under the act and under the multilateral and bilateral agreements made thereunder?

Mr. VANDENBERG. If the Senator understands the Chair's question, the answer would be in the affirmative. I should like to submit a thought on that question, although I had not intended to enter the discussion of the merits at all. I respectfully suggest that nations which are members of the United Nations have a right to submit treaty violations to the adjudication of the International Court of Justice, and they do not have any right to take unilateral action. I withdraw the suggestion, "they do not have any right," for I suppose they have the right to do anything they please; but under the theory of the Charter of the United Nations it certainly is appropriate for any member nation to have an adjudication of an alleged treaty violation by the International Court of Justice.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. Yes, indeed.

Mr. DONNELL. Before phrasing the question, I should like to say the question is not intended in any sense to indicate sympathy with any country which fails to comply with its treaty obligations, nor does it indicate any lack of reverence for the Constitution of the United States.

Mr. VANDENBERG. The Senator will be absolved from any lack of respect for the Constitution.

Mr. DONNELL. I thank the Senator. I should like to ask the Senator this question: There certainly is no provision of the Economic Cooperation Act of 1948 which says that among the things which may be used as a disqualification—if there is any such provision—of a participating country to receive aid, a failure to comply with a treaty is one of the grounds of disqualification. That is certainly true, is it not?

Mr. VANDENBERG. I think so.

Mr. DONNELL. Then the amendment, by adding it as one of the grounds

on which a nation may be disqualified, clearly adds legislation, something that is not in the existing act. Does not the Senator agree with that?

Mr. VANDENBERG. It would seem so to the Senator from Michigan. All his inclinations are to agree, at any rate.

Mr. DONNELL. I hope the Senator's inclinations will be translated into actual agreement.

This is the point I am trying to make, very faultily, a appreciate: If there is a provision—I have been searching to find it—of the type to which the Vice President referred, which says that, instead of the participating countries, as mentioned in section 102, being entitled to receive funds, or words to that effect, certain of them may be disqualified by certain actions or failure to perform, certainly the failure to perform a treaty obligation is not listed as one of those disqualifying elements. Consequently, would it not seem absolutely incontrovertible that when the amendment adds such an element as a specific ground of disqualification it constitutes new legislation.

Mr. VANDENBERG. Mr. President, the distinguished Senator from Missouri raises a new point so far as the Senator from Michigan is concerned. But on the statement of the Senator from Missouri, it would seem to the Senator from Michigan that the Senator has taken a correct position.

Mr. DONNELL. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield.

Mr. SALTONSTALL. I desire to ask the Senator a question. If I understand his argument correctly, and I think I do, it is to this effect: The fact that the Appropriations Committee added the words "fail to comply with a treaty" is legislation by reason of the fact that the words add a condition to the basic act. If they were not in this appropriation bill the Administrator possibly could pay the money to a nation in spite of its violation of a treaty. Do I make myself clear?

Mr. VANDENBERG. I am afraid the Senator does not. I am sure it is the fault of the Senator from Michigan.

Mr. SALTONSTALL. It is not. What I tried to say to the Senator from Georgia was this: I asked the Senator from Georgia, if these words were not put in by the Appropriations Committee, could the Administrator pay money to such a nation in spite of its being a treaty violator. As I understood him, he said he did not make that argument; rather he made the argument that this wording was simply requiring the Administrator to live up to the Constitution. As I understand the Senator from Michigan, he has argued that the Committee on Foreign Relations considered the words and deliberately omitted them, and that the Senate confirmed the action of the committee in omitting them. Therefore, as I understand, the words are legislation on an appropriation bill, because they

do add something to the duties of the Administrator. Is that correct?

Mr. VANDENBERG. I think that is correct.

Mr. McCARTHY. Mr. President, I understand that earlier today there was some comment made on the floor regarding the alleged lobbying of Mr. Paul Hoffman. I do not know the situation so far as other Senators are concerned, but I think, in fairness to Mr. Hoffman, I should advise the Senate that Mr. Hoffman and Mr. Foster did discuss the McClellan amendment with me. They were here, however, on my express invitation. I called Mr. Hoffman and Mr. Foster because I wanted to discuss a matter which I thought was directly concerned with the McClellan amendment.

In my State there is a sizable number of wheat farmers and rye farmers. There are approximately 6,000 or 7,000 rye farmers. Farmers in North Dakota, South Dakota, and the whole wheat and rye belt are much concerned because we find that the Army is negotiating for the purchase of 200,000 tons, approximately 8,000,000 bushels, of rye from eastern Poland and the Russian Ukraine. There is a difference of opinion as to the value of the Brannan plan to the American farmer, but there is not much difference of opinion as to the Brannan plan for the purchase of rye from the Russian Ukraine. That is one of the reasons why Mr. Hoffman and Mr. Foster were called here. The matter was taken up with Mr. Voorhees of the Army and with the Department of Agriculture. After going into it in some detail I was firmly convinced that Mr. Voorhees, who is the purchasing agent for the Army was not at fault because his hands are completely tied. The matter is directly in the lap of the Secretary of Agriculture, or the Commodity Credit Corporation which the Secretary controls. The Secretary has made it absolutely impossible for the Army to purchase millions of bushels of American rye in this country. He has made it impossible for the Army to purchase rye next door, in Canada. We all know that there is at the present time a surplus in Canada. Our farmers are being offered about \$1.19 a bushel for rye, which is less than 75 percent of parity. So I am sure Senators will understand the concern of Senators from the Wheat and Rye Belt when it was found that the Secretary of Agriculture was forcing the Army to purchase rye in eastern Poland and the Russian Ukraine, which is needed in Germany and Austria.

This is not being done directly. Under the law they cannot take GARIOA funds and purchase rye from the Russian Ukraine, but the same results are accomplished as follows:

England needs corn to feed livestock. Instead of England buying it directly, the Army purchases it in this country for England. England, in turn, which has no use for rye, purchases rye from the Russian Ukraine and after that she trades the rye she has purchased, to our Army which purchases the corn which England needs. The end result is that the American farmer is denied a market

for millions of bushels of rye. This is of concern not only to the rye farmer, but also to the wheat farmer, because when the price of rye drops, the price of wheat drops also. For example, when the rumor of this indirect Army deal became known the price of wheat dropped approximately 5 or 6 cents a bushel.

The Secretary of Agriculture was contacted by the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. THYE], the Senator from North Dakota [Mr. YOUNG], and me approximately 5 months ago in regard to this matter.

Around tax time, as the Senate knows, the subject of farm prices is rather important. In my State very few farmers rely upon rye for their entire income. It is called a tax crop. Many of them sell it to get money to pay their taxes.

As I stated, we discussed the matter with the Secretary and received very little of value, except a statement which I thought was rather unusual, as did some of the other Senators who were with me. He stated that the farmers had not come into the support program, and this would probably teach them a lesson, and that next year they would undoubtedly come into the program. It seems hardly possible that the Secretary meant that as a threat; it was probably a slip of the tongue. It was at least an unusual statement.

I thought the Senate was entitled to know that my contact with Mr. Hoffman and Mr. Foster yesterday was not a matter of lobbying on their part. I wanted to discuss with those gentlemen the subject as to whether they felt the McClellan amendment would prevent a repetition of this grain situation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARTHY. I shall be glad to yield.

Mr. LUCAS. The Senator, in discussing Mr. Hoffman, has criticized the Secretary of Agriculture for failure to purchase Canadian rye. Am I correct in that statement?

Mr. McCARTHY. No; not for failure to purchase Canadian rye. I think the Secretary of Agriculture has a duty, and I believe it follows, as the night follows the day, that he should make any rye in this country available to the Army. If rye is not available in this country, then I think, instead of forcing the Army to purchase rye in the Russian Ukraine, he should make it easier for the Army to purchase rye which is right next door, from our neighbor, Canada. The Senator from Illinois does not have as many wheat and rye farmers in his State as there are in my State, but I am sure he knows that when there is a surplus next door in Canada it automatically flows into this country and unfavorably reflects on the amount of money received by our farmers for their rye and wheat. It is a question of whether we shall force the Army to buy Russian rye in accordance with the Brannan farm plan for the Russian Ukraine.

The VICE PRESIDENT. The Chair would like to suggest that this debate is

directed to the Chair on a point of order with respect to a pending amendment, and while it is an interesting dissertation on rye, it has no bearing on the point of order. The Chair hopes the Senator will not prolong his discussion to a point at which the Chair will forget the point of order on which he is to pass.

Mr. McCARTHY. Mr. President, I consider this matter just as important to the farmers of the Middle West as is the point of order which the Chair is about to decide.

The VICE PRESIDENT. The Chair does not underestimate the importance of rye.

Mr. McCARTHY. I rose principally to clear up the matter insofar as Mr. Paul Hoffman was concerned, who had been charged with lobbying. I want to make it clear that while I do not know what his contact with other Senators happened to be, so far as I am concerned I asked him and Mr. Foster to come, and we discussed the relation of the Army rye purchase to the McClellan amendment.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. The amendment says:

Provided further, That no part of the funds herein appropriated—

And so forth—

shall, after deposit in local currency accounts as a result of assistance furnished—

And then there is a restriction.

I should like to ask, are funds which are appropriated by the United States deposited in local currencies? I do not understand the mechanics of this operation. Where is there a limitation? It reads:

That no part of the funds herein appropriated * * * shall, after deposit in local currency accounts as a result of assistance furnished—

The VICE PRESIDENT. The Chair assumes that that refers to the provision of the original act which authorized the deposit in currencies of these different countries. The Chair does not understand it means that any part of this appropriation will be deposited in currencies of the ECA countries.

Mr. WHERRY. That is what I am asking. That is what the language provides, and I am asking the Senator from Georgia, who is on the floor, if he will answer, does this amendment starting with the words "that no part of the funds herein appropriated" do exactly what he has explained? I suppose that is the money which the countries get from the United States—dollars. Then we come down to the verb, it says "shall, after deposit in local currency accounts," and so forth.

Mechanically, does that actually happen? I had supposed the money we appropriated to these countries stayed here, that they used it as a credit against which to buy goods in this country, and that the only time the local currency was used was after the goods had been delivered and were sold in the normal channels of trade.

Mr. RUSSELL. That is correct.

Mr. WHERRY. Where is there a limitation on the funds appropriated?

Mr. RUSSELL. It is all right to put a limitation on the funds when they are in the form of dollars.

Mr. WHERRY. Is the limitation on the dollars before they leave the country, or when the money is finally deposited in the local currencies?

Mr. RUSSELL. It is when it is finally deposited in counterpart funds.

Mr. WHERRY. That is, the limitation is imposed upon what the local dollars, exchanged into the local currencies, mean in the countries where the deposits are made?

Mr. RUSSELL. That is correct.

Mr. BALDWIN. Mr. President, I should like to address myself for a few minutes to the point of order which has been raised, and I do so because I want to take the position the distinguished junior Senator from Georgia has taken. I do so particularly in light of the fact that the senior Senator from Michigan [Mr. VANDENBERG] recalled to the Senate a discussion on the floor of the Senate of an amendment to the original ECA Act itself.

The junior Senator from Connecticut was the Senator who proposed that amendment, and my recollection of what occurred at the time coincides exactly with what the distinguished Senator from Michigan has said, and I hesitate, because of the position he has taken, to take an opposite one, because I know of his long knowledge and experience in the Senate, and particularly of his intimate knowledge of the ECA Act and the administration of the fund.

Mr. President, I should like to raise this question: Is it within the province of the Committee on Appropriations to decide whether or not it shall grant or withhold funds based upon the knowledge that some law or treaty of the United States is or is not being violated? It seems to me it is very definitely within their power to do exactly that sort of thing. In other words, it is the contention of the junior Senator from Connecticut that this provision partakes of the very substance and nature of the appropriation itself. Obviously, if the Committee on Appropriations have brought to their attention the fact that there was a misuse of funds, it seems to me it would be perfectly within their power to decide whether or not to grant an appropriation on that particular basis.

Assume there was an appropriation of \$100,000,000 for a particular purpose, or a recommendation or authorization, and the matter came before the Committee on Appropriations, and the point was made before the committee, "Yes, last year a similar appropriation for a similar purpose was misused." It seems to me that in the light of that claim, certainly the Committee on Appropriations could decide whether or not it should withhold the funds on that particular basis.

Mr. President, it is not a matter of policy, but if it is a matter of policy, it is a matter of policy peculiarly within the province of the Committee on Appropriations.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield.

Mr. RUSSELL. I should like to point out to the distinguished Senator that the Committee on Appropriations cannot decide anything finally. It is a mere servant of the Senate. It can merely propose to the Senate. The question is not as to whether or not the Committee on Appropriations can decide. The question is whether or not the Senate of the United States can decide.

Mr. BALDWIN. I thank the Senator for his point, but what I meant to say was that it was up to the Committee on Appropriations to report a bill to the Senate with this provision in it, and that it was peculiarly a subject with which the Committee on Appropriations should deal in considering an appropriation.

The VICE PRESIDENT. Will the Senator permit the Chair to ask him a question which bears on the point he is making?

Mr. BALDWIN. Certainly.

The VICE PRESIDENT. How is the fact established that a nation has violated or is violating a treaty with the United States? Under this amendment, is the Administrator to be the arbiter of that? Is he to decide whether a given nation is violating a treaty under which decision he could withhold these funds? Can the Senate decide? The State Department might protest against a certain action which it claims is a violation of the treaty. It is not a unilateral proceeding. There must be some judicature somewhere in the world as to whether a treaty is being violated. There are certain provisions in the United Nations Charter under which it can adjudicate such a matter. But under this amendment, who would decide, who could decide?

Mr. BALDWIN. It does not seem to me that anyone needs to decide that question. It seems to me that it is sufficient if the point is raised. Then the Administrator, administering the fund, can bring the matter to the attention of the nation involved, and the nation involved, or the Administrator, or both of them together, can satisfy themselves as to whether a treaty is being violated, or, if it is being violated, whether the matter can be adjusted.

It seems to me this is a directive, as a part of the substance of this appropriation, to the Administrator to give great care to the question of whether there is a violation of any treaty between any nation concerned, which takes advantage of the provisions of the act and of the United States of America. In other words, it is a directive on the conduct of the Administrator in handling the funds, and it seems to me to be a proper directive to the Administrator.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Georgia.

Mr. RUSSELL. If the Senator will permit, and the Chair will indulge me, there is no question but that the Administrator would decide in the first instance. The appropriation is made to the Economic Cooperation Administration. But the basic law, the first ECA Act we passed, contains a section which deals specifically with this situation. Since we have gotten off on this matter, I invite the attention of the Chair to section

105 of the act, which provides the general functions of the Administrator. It proceeds in subsection 4 on page 4 of the printed act as follows:

Terminate provision of assistance or take other remedial action as provided in section 118 of this title.

(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

This is in the law:

The Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other.

I invite the Chair's attention specifically to this language:

Whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

So I submit, Mr. President, that this appropriation being made to the Economic Cooperation Administration, the decision of the question shall be made by the Administrator, and if the Secretary of State disagreed with him in the final analysis, the decision would be made by the President of the United States.

Mr. BALDWIN. Mr. President, I agree fully with what the Senator from Georgia has said, and I should like to add just one further thought.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. VANDENBERG. Did not my good friend the Senator from Connecticut himself offer in the Senate precisely this same general proposal as legislation on April 5, 1949?

Mr. BALDWIN. Yes, indeed, he did.

Mr. VANDENBERG. And it was debated for some time, and on a ye-and-nay vote it was defeated. Is that correct?

Mr. BALDWIN. That is correct.

Mr. VANDENBERG. And subsequently it was again submitted to the Senate by the able Senator from North Dakota and the Senator from Wisconsin, and it was again defeated. Is that correct?

Mr. BALDWIN. I think that is correct. I do not recall that.

Mr. VANDENBERG. Upon what theory does the Senator think that this language now ceases to be legislation?

Mr. BALDWIN. The Senator's point is, if I may say so, that this not only may be the subject of legislation, but it also may be the proper subject of limitation or direction in an appropriation bill. The junior Senator from Connecticut submits that the mere fact that it may have been defeated as a matter of legislative policy when the original act was before the Senate, does not prevent the question being raised again if it can properly be raised in connection with an appropriation measure. It is the contention of the junior Senator from Connecticut that it can be properly raised again in the consideration of this ap-

propriation measure because it is nothing more than a directive in connection with an appropriation, which partakes of the very substance of the appropriation itself, that the Administrator and all who administer these funds shall pay particular attention to the laws and treaties of the United States and be guided by them. It seems to me it is nothing more than that. Mr. President, I hope that point of view will be sustained.

The VICE PRESIDENT. The Chair asks the Secretary to read section 118 of the Economic Cooperation Act of 1948.

The Chief Clerk read as follows:

TERMINATION OF ASSISTANCE

SEC. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

The VICE PRESIDENT. If there is no further argument on the point of order the Chair is ready to rule.

Mr. RUSSELL. Mr. President, will the Chair indulge me one moment?

The VICE PRESIDENT. Yes.

Mr. RUSSELL. I insist that under the language of section 118 the amendment is specifically in order because it provides that the Administrator shall decide that, because of changed conditions which relate to a treaty violation, assistance is no longer consistent with the national interest of the United States. What could be more important than to have strict adherence to a treaty? What could be more consistent with the national interest of the United States than strict adherence to and compliance with a solemn treaty entered into with the United States?

Mr. LUCAS. Mr. President, I desire to raise one point which does not seem to me to have been sufficiently discussed during the debate. That has to do with the second part of rule XVI dealing with contingencies, which was incorporated in the rule because of the Reorganization Act.

I read a portion of the language of the amendment:

Provided further, That no part of the funds herein appropriated with respect to which local currencies are deposited * * * shall * * * be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States.

Mr. President, we have to assume in the beginning that the participating countries are complying with the treaties

this country has with them. So there must be a violation of such treaty before the provision of the amendment goes into effect. Consequently, if that is not a contingency under rule XVI, I do not understand the meaning of the term.

Furthermore, Mr. President, with respect to who shall determine whether or not a treaty has been violated; the distinguished Vice President and every Member of the Senate knows with what respect and dignity we regard treaties which we have with other countries. It is not every agent who goes out over Europe, or to any other part of the globe to a country with which we have a treaty, who is going to have the power to determine whether or not the nation in question is violating its treaty with the United States. A long period of examination, and exhaustive research must be made before the facts are submitted to the President of the United States, so he could make determination whether or not a treaty with France, for example, were being violated.

Obviously additional duties and obligations will be placed upon the ECA Administrator if he is the official who, under the provisions of the amendment, is to gather the evidence in the first instance so it may be submitted to the President of the United States for his final determination. This violates rule XVI. This is legislation and not a limitation.

Mr. President, I take the opposite view from that expressed by the distinguished Senator from Connecticut in the argument he just made. There must be a violation of the treaty before the terms of the act apply, and that certainly involves a contingency.

Mr. DULLES. Mr. President, may I suggest that this is an act which finds that the national interest of the United States requires that economic aid shall be given to certain countries. The proposed amendment says that the national interest of the United States may not be served if, perchance, one of the signatory countries once violates a treaty. I cannot conceive of an amendment which would be more legislative than an amendment which says that the national interest of the United States, as found by the Congress, as exemplified in this act, today cannot be served because of a possible violation of a treaty. One might just as well say, Mr. President, that it was not legislation if during the height of the World War the Appropriations Committee had adopted an amendment to appropriations bills for the military service saying we could not give military aid to our allies in fighting the war because, perchance, France and Morocco violated a 100-year-old treaty.

Certainly, the purpose of the act is to serve and protect the interest of the United States, which the preamble of the act says Congress has found must be served by giving this economic aid. Now to say that we cannot give such economic aid because of a treaty violation certainly is legislation to the nth degree.

Mr. LONG. Mr. President, I shall speak for only a moment on this subject. It appears to me that in the last analysis the decision is going to be the same as far as furnishing American aid to any

foreign country violating a treaty is concerned, as it would be under the present law. Frankly, I feel that any nation that would be construed by the President and by the Administrator and by the Secretary of State as having violated a treaty with the United States, if they saw fit so to construe it, would also be construed as pursuing a policy that would be inconsistent with the national interest of the United States. However, to approach this particular problem, I construe this objection to be based upon the language of rule XVI, which states:

Nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

The argument has been made that this matter is legislation, because certain restrictions were included in the authorization act, and that this is not one of those restrictions. The words "restriction" and "limitation" are synonymous. They mean the same thing. We are restricting or limiting the purposes for which funds can be spent. Any authorization act is necessarily a restriction. It contains many restrictions. We authorize expenditures for certain purposes. But rule XVI clearly contemplates that there is a difference between legislation and limitations. After restrictions and limitations have already been laid down, rule XVI clearly contemplates that further limitations may be proposed by the Appropriations Committee, but it provides that the limitation may not be received if it is not authorized by law.

Is this limitation authorized by law? I contend that it is. Here we have a treaty entered into between the United States and a foreign power. It is the supreme law of the land. I believe that a treaty overrides the rules of the Senate. We say that the treaty is being violated by a foreign power. If that foreign power is violating a treaty, it is probably inconsistent with our foreign policy, in my judgment, for the United States to furnish further economic aid to that country. But certainly the Appropriations Committee is authorized by law to propose to the Senate, under our rules, that we shut off aid to such a country when that country is violating its treaty with the United States. I contend that this is a limitation authorized by law, and that as such it will lie, under the rule.

Mr. BALDWIN. Mr. President, I should like to speak briefly in reply to the distinguished Senator from New York [Mr. DULLES]. The Senator from New York stated that the purpose of the act was the economic rehabilitation of certain European countries. Indeed it is. But it seems to me that his argument goes to the extent of saying that since this is primarily a rehabilitation act, and the appropriation is for that purpose, the Senate is foreclosed from raising the question of violation of a law or treaty because it may interfere with the economic rehabilitation of those nations.

Mr. DULLES. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. DULLES. I may have misstated myself. I did not suggest that the Sen-

ate could not do so through legislation, as has been attempted. I did say that the Appropriations Committee could not do it.

Mr. BALDWIN. I am glad to stand thus corrected. But I go one step further and say, as I said before, that this limitation or directive, being part and parcel of the appropriation itself, is plainly within the province of the Appropriations Committee, in my humble judgment.

Let me say one or two sentences in answer to my distinguished friend from Illinois [Mr. LUCAS]. He says that this provision does not become operative except upon the happening of a contingency, and consequently is in violation of the rule of the Senate. Mr. President, is a violation of the law a contingency within the province of the rule? It seems to me that it is not. It may very well be a contingency; but must we continue to pour out money and the Senate say nothing about it? Can the Appropriations Committee, which recommends appropriations, say nothing about it if the Administrator wants to continue to pour out money in violation of laws and treaties of the United States? I humbly submit that such a contention is not in accord with sound public policy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. LONG. If the Senator will refer to the rule, I ask him if he does not agree that if this is a limitation authorized by law, even though it be based upon a contingency, it will lie, under the rule.

Mr. BALDWIN. The distinguished Senator from Louisiana has stated it much better than I did.

The distinguished Senator from Illinois takes the position that the rule forbids any restriction or limitation based upon a contingency. It is the position of the junior Senator from Connecticut, and apparently also of the junior Senator from Louisiana, that there are contingencies which are outside the rule. I submit that if this is a contingency, it is that kind of a contingency.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. SALTONSTALL. Is it not an extension of the power of the Administrator to give him, and him alone, the authority to determine whether or not a treaty is being violated? It seems to me, following up the ideas expressed by the Senator from Michigan [Mr. VANDENBERG] and the Senator from New York [Mr. DULLES] that putting the power in the hands of the Administrator alone to determine whether or not there has been a violation of a treaty is an extension of his authority and is, therefore, an extension of the law.

I invite the Senator's attention to a letter from the Assistant Secretary of State, Ernest A. Gross, dated July 29, 1949, and addressed to me, in which he says:

As a matter of fact, the interpretation of United States treaty rights in French Morocco has consistently presented a problem to this Government; and consequently these rights cannot be said to be well defined.

This amendment would leave it in the hands of the Administrator alone to determine whether a treaty had been violated. It seems to me that that is a distinct extension of his powers, and is, therefore, legislation.

Mr. BALDWIN. In reply, let me say that what this directive does is to tell the Administrator to do his job, to observe the treaties between this Nation and other nations, and to observe the laws of the United States. He ought to do it anyway; but if the matter is brought to the attention of the authority which grants the money, it seems to me that that authority, the Congress of the United States, has a right to say to the Administrator, "We are particularly interested in your seeing to it that the laws and treaties of the United States shall not in any way be violated by those who are to receive this aid."

The VICE PRESIDENT. The Chair is ready to rule. The discussion has been enlightening, and has materially aided the Chair in reaching his conclusion as to the validity of the point of order.

The act under which we are operating, the ECA Act, in a long preamble sets forth certain statements and facts which Congress adopted as a matter of policy. Among them is the declaration that this program is necessary for the economic and other welfare of the United States. The Chair is not quoting verbatim, but in a general way the statement is that it is in the interest of the United States to conduct this program.

Subsequently Congress proceeded to implement that declaration of policy by the details of the original Act. Section 118 sets forth the obligation of the Administrator with reference to certain things which he must take into consideration in determining whether the recipient countries are entitled to the aid provided. Among other things, they were required to do certain things with respect to their currencies. They were required to do certain things looking toward the balancing of their budgets. They were required to engage in self-help and mutual cooperation among the participating nations through multilateral treaties among them, and bilateral treaties between each of them and the United States.

Section 118 authorizes the Administrator to determine whether these conditions are being met, in determining whether aid should be continued, or withdrawn or terminated. Nowhere in section 118 or in any other part of the act, so far as the Chair is aware, is there any authority for the Administrator to determine whether a recipient nation is violating some other treaty which it has entered into with the United States, wholly beyond the jurisdiction of the ECA.

If there is no such authority to withdraw aid because of the violation of some other treaty, which has no relationship to the agreements referred to in the act, certainly it seems to the Chair that for the Senate or the Congress to give the Administrator the authority to determine that matter, and to withhold aid to any country which he found was violating some other treaty, would be an extension of his authority—an extension of author-

ity to one who really has no power to determine that question.

No single individual can decide finally whether or not a treaty is being violated. Under international law there are certain usages which may bring such a question to an ultimate decision, but it is not within the province of the Administrator, the Secretary of State, or even the President to determine finally and unilaterally whether a treaty is being violated. They may arbitrarily withdraw aid if they believe that one is being violated because, in any event, there is no remedy if the aid is withdrawn. But it does not seem to the Chair that a provision withholding aid from any country which is a participating country under this law, and which has not violated any agreements made under this law, would be in order because that would seem to the Chair to be legislation beyond the scope of the original act and beyond the power of the Congress to enact.

The question of contingency has arisen. The definition of the word "contingency" reminds the Chair of a discussion between two Irishmen as to what is a contingency. They got into quite an argument about it, and finally they called in a third Irishman to get him to tell if he knew what a contingency was. He said, "Well, a contingency is this: If you lose your case, your lawyer gets nothing. But if you win the case, you get nothing." [Laughter.]

After all, "contingency" is a broad term which may be defined according to the conception of the definer.

But it seems to the Chair that a contingency is any happening which may occur in the future, whether it be a violation of a treaty, a drought in some recipient country, or any other condition which may happen in the future and which would be used as a basis for action on the part of those who administer an amendment or measure of this sort.

Certainly the Chair cannot assume that any one of the recipient nations is now violating that provision. Therefore, the Chair must assume that this matter relates to a future contingency.

Under the circumstances, aside from the fact that the Senate had a chance to put such language in the original act, but did not do so—which is a persuasive, but not conclusive, consideration; and even if an amendment had not been offered by the Senator from Connecticut [Mr. BALDWIN] and other Senators and had not been voted down by the Senate, the Chair feels that there is nothing in the original act authorizing the Senate to pass upon the question of the violation of other treaties; and therefore the amendment is legislation on an appropriation bill and is legislation in violation of the new part of rule XVI which the Chair thinks was passed on only yesterday, and not before, because the question with respect to it had not previously arisen. In other words, the Chair believes that this amendment is in violation of both those subsections, as legislation on an appropriation bill, and is violative of the provision of the rule that an amendment cannot be offered if it is to take effect upon the happening of a contingency.

Therefore the Chair sustains the point of order.

Mr. RUSSELL. Mr. President, I dislike very much to prolong the discussion of this matter, particularly in view of the fact that I have the feeling that whatever may be the outcome of it, I have it on a contingent basis, from the standpoint of the story just related by the Chair. [Laughter.]

However, I have a conviction that this issue is of such importance that the Senate of the United States itself should pass upon it.

I respectfully submit that under the specific language of the European Cooperation Act this amendment is completely in order.

For the purpose of this argument, I shall abandon the Constitution of the United States, Mr. President. This is not due to lack of respect for that document but because I fear I would get very little help by relying on the Constitution or on that provision of the Constitution which makes treaties a part of the supreme law of the land, and by arguing that since they are the law of the land, any limitation which is based upon an existing treaty is in order.

Mr. President, in my opinion section 118 of the Economic Cooperation Act was written with a specific view to possible violation of other treaties. The Chair has ruled that no other treaty had any part whatever in it. I ask Senators to listen to the reading of that language. I shall not read all of it, because I wish to be as brief as possible. But I read a part of it, as follows:

The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that—

I now skip a line—

(2) because of changed conditions, assistance is no longer consistent with the national interest of the United States.

Mr. President, there is no doubt in my mind that that language was written specifically to protect the national interest of the United States against the possibility that nations which have treaties of friendship with us today might in future violate those treaties or might enter into a treaty with another foreign power whose interest was inimical to our own interests.

Indeed, it was specifically argued on the floor of the Senate, when this legislation was under consideration, as I recall, that if any of these nations did enter into any international relations with the Soviet Union—and, Mr. President, we might as well call the name of that power—this assistance would immediately be withdrawn.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CORDON. I should like to inquire of the Senator from Georgia whether, in consideration of the statements which have been made on the floor of the Senate—statements to the effect that the Administrator could not determine whether a treaty had been violated or had not been violated—the question of whether a treaty is violated is wholly

beside the point, in relation to the act. So, in view of what has been said on the floor of the Senate or in view of what has been said by the Chair, I inquire of the Senator whether any consideration has been given to the provisions of section 105 (b) of the act, namely—

In order to strengthen and make more effective the conduct of the foreign relations of the United States—

(1) The Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other.

Mr. RUSSELL. Mr. President, I may say to the distinguished Senator from Oregon that in the effort to persuade the Chair that this amendment is in order, I read all of subsection (b) of section 105 of the act, which provides the very machinery for using a treaty breach as a basis for ceasing or suspending all such aid to a nation which may violate a treaty which it has with us.

Mr. President, to sustain the decision of the Chair would put us in the ridiculous position that if tomorrow Italy were to renounce the Atlantic Pact and were to form an alliance with or become a satellite of the Soviet Union, we would have no right to terminate aid to Italy under this measure. If the Chair's decision is sustained, that is what the Senate will do; the Senate then will be saying that if tomorrow Italy were to renounce the Atlantic Pact and were to sign an agreement bringing Italy under Russia's orbit and making Italy a satellite state to Russia, then—under those conditions—we could not cut off the flow of American aid and American dollars going to Italy under the European Recovery Act.

The VICE PRESIDENT. Will the Senator from Georgia allow the Chair to ask him a question at this point?

Mr. RUSSELL. I shall be glad to do so.

The VICE PRESIDENT. Of course, in this case we must consider the difference between the violation of a treaty and the renunciation or abrogation of a treaty. The latter is the exercise of the right of each party to a treaty, including ourselves, to withdraw from a treaty by abrogating or terminating its adherence to the treaty.

The question posed by this amendment, in the opinion of the Chair, is not the abrogation of a treaty, for any nation has a right to abrogate a treaty or to renounce a treaty on its terms, and that can be done without violating the terms of the treaty; but in the opinion of the Chair, that is quite a different matter from a violation of a treaty which still is in effect, which is what it seems to the Chair this amendment contemplates.

Mr. RUSSELL. Mr. President, I can see no difference between changes in treaties which affect our national interest, so far as I am concerned. Of course, I am not as great a technician on these matters as is the Chair or as are some other Members of the Senate. But to my mind, a treaty is a treaty and a violation is a violation.

The other day I voted for the so-called North Atlantic Pact. I understood it was

an association of nations for a period of 20 years. It is a treaty. For my part, I intend to do what I can to see that the United States gives full faith and credit to it. But if other powers signatory to the Atlantic Pact violate it, then I have no hesitancy in saying that the Congress of the United States, by way of a limitation on an appropriation bill, has a right to cut off the supply of dollars to such nation, and that will not be legislation on an appropriation bill, in view of the fact that section 118 specifically gives the Administrator the power to terminate such assistance when it is no longer consistent with the national interest of the United States, and also in view of the fact machinery is set up, under section 105, for that decision to be reviewed by the President of the United States.

So it seems to me that that matter is foursquare not only with the Constitution of the United States, which is supposed to give credit to and uphold the sanctity of treaties, but with the specific language of the European Cooperation Act.

Perhaps in the view of some Senators I made a mistake in becoming interested in this matter. My interest arose in a most unusual way. I happened to find in the so-called junk mail that comes into my office a letter from one who described himself as an American citizen, who said he was being victimized through the violation of a solemn treaty this Nation had entered into with another power. I had never seen the man. I had never heard of him. When Mr. Hoffman came before the Committee on Appropriations I asked him a few questions. I asked him about this specific situation. Mr. Hoffman replied, "Yes, there may be a matter of principle involved there. There undoubtedly is. These American citizens have some treaty rights. But there are only about 37 of them involved." There was something about the statement that gagged me. I have not yet accepted altogether the idea that nationality is something of which a man should be completely ashamed. I thought in my mind if there was only one American citizen involved, it was the duty of the Economic Administrator, it was the duty of the State Department—yes, it is our duty as Senators of the United States, and it is the duty even of Senators who have never heard of the man, to do what we can to see that his rights are protected.

I voted for the European Recovery Administration. I voted for the appropriations to implement it. That did not mean that I thought any individual American citizen, wherever he might be under the canopy of God's heaven, did not still have about him the flag of this Republic, and that we were not interested in him. Even though he be a humble man, and even though he be a wayfaring man, he is an American citizen, and he is entitled to the protection of the United States. He is entitled to his rights wherever he may be. The argument that there were but 37 American citizens involved did not appeal to me one iota. Neither, I may say, does the argument that it is a 100-year-old treaty appeal to

me one iota. If a treaty is a hundred years old, it is still entitled to respect, just as if it were entered into only day before yesterday.

I realize, Mr. President, those are the arguments of the fast vanishing American, but they are my views. I think, until we have organized the world state, every American citizen is entitled to the protection of his rights from whatever source derived so long as they are legitimate, wherever he may be in the world.

Mr. President, American sentiment has changed somewhat on this. There was another occasion on which the rights of an American citizen were violated. It happened that that was also in north Africa. An American citizen was seized by a bandit and kidnapped, and word was immediately sent to our Government. Theodore Roosevelt was President at the time. Word came that we had better get the ransom over there if we wanted to protect the rights of that American citizen. The ransom was not sent. We sent instead one of the shortest messages of all time—"We want Perdicaris alive or Raisuli dead." That was the message sent to the American consul at Morocco. He was either to deliver the American alive, or to bring in the body of the man who was denying him his rights.

Today we are told there are only 37 American citizens involved. In other words, not satisfied with denying them their rights in violation of the treaty, we will ship them some more Americans along with the goods we have given them, and let them violate the rights that are theirs also under the treaty. I submit, Mr. President, there ought to be some way by which the Senate of the United States can deal with the situation. I know nothing about the details of it except that Mr. Hoffman himself in his testimony said the men were being denied rights. As it appeared to him, the fact that only 37 American citizens were involved might cause the Senate to say it was not worthy of consideration. But I say, Mr. President, if they have any undue rights under the treaty, the State Department should renegotiate the treaty immediately and take away from them any such rights. They ought not to hold them out to American citizens. But here are the treaty rights of an American citizen in this area, and we permit a foreign power to deny him his rights. There is some better way of getting at it than to put us in the position of being absolutely callous and indifferent to the rights of an American citizen—not one, but a small group, only 37 of them. Regardless of how many there are, they are entitled to consideration at the hands of the Senate. They are protected under the amendment by the clear language of the ECA Act, which gives a right to withdraw aid.

Without taking more of the time of the Senate in expounding what is doubtless an outworn theory, but to justify my action in my own conscience, I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. WHERRY and Mr. McKELLAR requested the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Magnuson
Anderson	Hendrickson	Malone
Baldwin	Hickenlooper	Martin
Brewster	Hill	Maybank
Bricker	Hoey	Millikin
Bridges	Holland	Morse
Butler	Humphrey	Mundt
Byrd	Hunt	Myers
Cain	Ives	Neely
Capehart	Jenner	O'Connor
Chapman	Johnson, Colo.	O'Mahoney
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Saltonstall
Donnell	Kem	Smith, Maine
Douglas	Kerr	Sparkman
Dulles	Kilgore	Stennis
Eastland	Knowland	Taft
Eaton	Langer	Taylor
Ellender	Lodge	Thomas, Okla.
Ferguson	Long	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Vandenberg
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McGrath	Wiley
Green	McKellar	Williams
Gurney	McMahon	Young

The VICE PRESIDENT. A quorum is present.

The question is, Shall the decision of the Chair stand as the judgment of the Senate?

On this question the yeas and nays have been ordered.

Mr. SALTONSTALL. Mr. President, before the Secretary calls the roll I should like to have placed in the RECORD at this point, as a part of my remarks, a copy of a letter to me from the Assistant Secretary of State in response to a request of mine on Morocco. I make this request because I expect to vote to sustain the ruling of the Chair, as I believe this amendment does violate rule XVI. But I agree entirely with what the Senator from Georgia has said. The same gentleman he has mentioned has been in my office many times. I believe the State Department should give more protection to American citizens in Morocco.

The letter from the State Department specifically states:

The Department has repeatedly recognized that American businessmen have specific legitimate grievances in French Morocco that should be remedied, and these grievances have been discussed with the French protectorate authorities during the negotiations.

I ask that this letter be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 29, 1949.

The Honorable LEVERETT SALTONSTALL,
United States Senate.

MY DEAR SENATOR SALTONSTALL: Further reference is made to your letter of May 19, 1949, with which you enclosed for comment a copy of remarks received from one of your constituents concerning import-licensing regulations in French Morocco. The Department's comments are submitted herewith, on the specific points made by your correspondent.

Coffee, sugar, and tea were subject to the requirement of an import license before De-

cember 30, 1948, and are still subject to that requirement. The Department is aware that a cession of a part of these imports has been required as they are goods for which the French consider the maintenance of a reasonably stable price to be essential for economic or political reasons. The Department recognizes that during the transitional period control of the prices of certain essential commodities is necessary.

The Department has repeatedly recognized that American businessmen have specific legitimate grievances in French Morocco that should be remedied, and these grievances have been discussed with the French protectorate authorities during the negotiations. In this connection I refer you to the memorandum sent to you on June 11, another copy of which is attached for your ready reference. The Department believes that the position of Americans will be ameliorated as a result of these discussions.

Your constituent refers to the illegal holding of merchandise by the Moroccan authorities. Upon protest by the State Department, the merchandise that was held illegally was released. The Department took the position that the application of the regulations to Americans before formal assent had been given was illegal, notwithstanding the fact that the French knew that the Department was, in general, disposed to give assent to the re regulations.

Your constituent remarks that Morocco is an independent country. This is not correct, in that the major part of the country is a French protectorate, and France is responsible for its foreign relations. He also states that the United States has well-defined treaty rights in Morocco and that the State Department is relinquishing two important rights of these treaties, namely, most-favored-nation and "open door" treatment in assenting to the decree of December 30, 1948. As a matter of fact, the interpretation of United States treaty rights in French Morocco has consistently presented a problem to this Government, and consequently these rights cannot be termed well defined. Furthermore this Government did not relinquish the rights of most-favored-nation and "open door" treatment in assenting to this decree. United States assent was given as a temporary expedient with full reservation of existing United States treaty rights.

With reference to your constituent's remarks on French dollar resources and increased imports from Switzerland and Czechoslovakia, it should perhaps be reiterated that because of the inseparability, under present circumstances, of the Moroccan and French foreign exchange situations, unrestricted imports from the United States into the franc zone are impossible at the present time. Imports from countries not in the dollar area are, of course, subject to other criteria.

It may be observed that the Department's objective is to assure an appropriate measure of protection to the interests of Americans in the French Protectorate of Morocco and that the choice of methods for achieving this objective has to be determined in the light of changing circumstances.

Sincerely yours,

ERNEST A. GROSS,
Assistant Secretary
(For the Secretary of State).

UNITED STATES ASSENT TO MOROCCAN IMPORT CONTROLS OF DECEMBER 30, 1948

For a period of several months prior to December 30, 1948, most goods could be imported into the French protectorate of Morocco without an import license as long as the importer did not request from the protectorate exchange office an allocation of dollar exchange with which to finance such imports. It became evident, however, that in many cases goods imported in this way

were sold for francs, and the francs were then either used to purchase dollars in French black markets or were exported in contravention of exchange-control regulations and used to purchase dollars in Tangier. These francs in either case exerted a strong attraction for dollars to move illegally out of the channels of the French exchange-control system. They put pressure on the franc rate in currency markets, and reduced the number of dollars available to the franc zone.

On December 30, 1948, the French protectorate authorities in Morocco issued a decree relating to this situation. The decree provided that imports made without an allocation of foreign exchange by the protectorate exchange office would be subject to the requirement of an import license, and limited such imports to a list of essential goods.

Because of the United States treaty position in Morocco, no law or regulation may legally be applied to American nationals unless this Government has given assent thereto. The French protectorate authorities therefore requested this Government's assent to the application of this decree to American nationals resident in Morocco. The protectorate authorities began to apply the decree before assent was given, and detained goods consigned to Americans in the Moroccan customs. These goods were released at the request of the Department of State before discussion of assent took place.

The Department of State and other interested agencies of the Government felt that it would be necessary, in view of certain practices of the protectorate government to make assent to the decree conditional upon agreement with the French on measures which would remedy some of the more urgent grievances of Americans in Morocco and which would protect American businessmen from arbitrary treatment as a result of such assent.

Discussions were therefore initiated between United States representatives in Morocco and officials of the French protectorate government with respect to these matters. They included the failure to allocate to Americans a reasonable amount of dollar exchange; the employment of delaying tactics in granting import licenses for goods which Americans needed for the maintenance of enterprises they were operating, and which they wished to import without an allocation of exchange by the protectorate exchange office; the assessment of customs duties on the basis of arbitrary valuations of imports; the assessment of consumption taxes to which this Government had not given assent; and other matters, such as the failure to install telephones, furnish adequate gasoline rations, etc.

During the course of the negotiations, the French protectorate authorities made the following proposals:

1. With respect to the allocation of dollar exchange, they would (a) establish a comprehensive system of invitations to bid on all imported products susceptible of such treatment; (b) publicize all products to be imported; (c) establish quotas for the allocation to Americans of exchange covering certain commodities, with provision for new importers.

2. They would grant licenses liberally for the importation, without an allocation of foreign exchange, of all items included in the list of essential goods published with the decree of December 30, which includes capital equipment.

3. They would not modify this list without the consent of the American consulates in French Morocco.

4. They would grant licenses for the importation, without an allocation of foreign exchange, of maintenance goods not on the list, upon the intervention of an American consulate in Morocco.

5. They would value imports on a uniform basis for customs purposes.

In view of these proposals, and of this Government's interest in the effective utilization of the dollar resources of the franc zone, the American Legation at Tangier, Morocco, upon instructions from the Department of State, informed the French protectorate authorities on June 10 that the United States Government gave its assent to the decree for a period of 3 months on the following conditions: The proposals outlined above would be placed in effect; goods shipped to Americans in French Morocco before June 26 would be entered without license; the discussion of other problems, such as consumption taxes, would continue. The assent of the United States Government to the decree was given with full reservation of existing United States treaty rights in Morocco.

Mr. LANGER. Mr. President, may I inquire of the distinguished Senator from Massachusetts how he voted?

Mr. SALTONSTALL. I think I voted against the Senator from Connecticut. At that time I had not had any correspondence or any discussion on the subject.

Mr. GEORGE. Mr. President, since the question has arisen as to how the Senator from Massachusetts voted, I want to make it very clear how I voted. I voted against the amendment offered by the distinguished Senator from Connecticut. I did so on the assurance that the State Department would at least go into the matter and would exercise the authority and power it undoubtedly has to direct Mr. Hoffman as the Administrator of the fund. I took the matter up with the ECA, or with the Administrator. It has been taken up through my office over a long period of time. I am not a member of the Appropriations Committee, but I confess a great sympathy for the 37—I had the impression that the number was 47—American soldiers who fought in the war and who remained in Morocco to do business on a legitimate basis. The State Department has not undertaken to exercise the duty which it owes an American citizen to see that his rights are protected.

Mr. President, on that ground I shall vote to override the decision of the Chair in this instance, although I have voted, since the original error was made by the Senate, to sustain the Chair. We have gotten ourselves into an ugly predicament, if, in giving charity or granting aid, a pure gratuity, presumably to help ourselves and help the world, our committee cannot lay down reasonable conditions for the expenditure of an appropriation which is made by Congress. The authorization bill that came through the Foreign Relations Committee never intended to strip the Appropriations Committee on the exercise of reasonable control over the money it appropriates. There is no legal obligation resting upon us to give this money to European nations. There is only the obligation which we ourselves have voluntarily imposed. Now to say that, although the treaty rights of American citizens are being violated, in appropriating money the Appropriations Committee is not authorized to fix reasonable conditions, to wit, the observance of a treaty already in existence, is going too far. We are now in the awkward and

untenable position of permitting the House of Representatives to impose restrictions, prohibitions, and inhibitions upon the fund being appropriated, but we cannot offer an amendment imposing another prohibition or another restriction upon the same fund as to which the House has written admitted legislation. That is where we made the initial mistake, and unless we are courageous enough ultimately to correct it, the Appropriations Committee will have to submit to a strait-jacket operation which would deprive it of discretion in doing what is obviously and manifestly right.

For that reason, Mr. President, I shall vote to override the decision of the Chair.

Mr. McKELLAR. Mr. President, I want, first to thank the distinguished Senator from Georgia for what he has said in connection with robbing the Appropriations Committee of its duties under the circumstances stated by him. I agree with the Senator entirely, of course, and I think every Member on both sides of the aisle feels the same way, except possibly the distinguished Senator from Massachusetts, whom I esteem very highly. He has just read from a communication from French Morocco. I wish to take the liberty at this point of reading two very short telegrams from the ex-soldiers who are in Morocco and who are being deprived of their rights. The telegrams are dated July 22, 1949. The first one is from the American Trade Association of Morocco, which says:

CASABLANCA, July 22, 1949.

HON. KENNETH McKELLAR,
Chairman, Senate Appropriations
Committee, Washington, D. C.:

American Trade Association of Morocco wishes to express its feeling of appreciation to you and your committee for your splendid support in guaranteeing the safeguard of American rights to Morocco.

AMTRADE.

On the same day, as chairman of the Appropriations Committee, I received another telegram, which is from the American Legion, and which reads as follows:

CASABLANCA, July 22, 1949.

HON. KENNETH McKELLAR,
Chairman, Senate Appropriations
Committee, Washington, D. C.:

American Legion Casablanca tender you and your committee sincere thanks for your defense and support of American business interests in Morocco.

MOROCCO POST No. 1.

Mr. HAYDEN. Mr. President, apparently we have arrived at the time when we should discuss the merits of the amendment, and I have some doubt in my mind about these American citizens in Morocco which I should like to express to the Senate.

I was not privileged to listen to the testimony of Mr. Rodes before the committee. I did examine the committee hearings, and on page 49 is printed a letter from Mr. Hoffman addressed to Mr. Rodes under date of May 5. I invite attention to the top of the page, where it is stated:

It has become increasingly evident that many importers in Morocco have been obtaining foreign exchange in the following manner:

They have imported products from the United States, sold them for francs in French Morocco, and then directly or indirectly converted such francs into dollars in the free exchange market in Tangier. There were also indications that near the end of 1948, because of the abundance of dollars on the Paris black market and the publicity which had been given to certain exchange transactions at Tangier, more and more importers in Morocco were buying dollars in the black market in Paris.

In response to that letter we would expect Mr. Rodes and his associates to say that they had not bought dollars on the black market. But this is the response:

The operations described by you are stated to be crimes by French officials and by the State Department. If a foreigner tells an American official that one or more American citizens are engaged in criminal practices, only one course is proper or admissible. The foreigner should be impressed with the fact that America is still a constitutional democracy. He should be assured that our consular court, when confronted with a prima facie case, is fully prepared to try any American on the evidence presented and to sentence him if charges are substantiated, but that no American official will countenance innuendoes or unsupported charges that Americans may be criminals. Certainly our system does not admit injury to one or a group of our citizens because of a decision that presupposes their guilt in a matter for which they have never faced trial.

In other words, he states, not that they have not been in the black market, but "If we have been in the black market, why have we not been arrested?" That is the defense.

The next statement that struck me in Mr. Hoffman's letter was this:

According to the information available to the Department of State, members of the American Trade Association of Morocco generally have declined to give information particularly regarding the volume of their business, on which World Trade Directory Reports might be based. Also, most of the members of the association refused to answer a questionnaire sent them last year by the consulate general at Casablanca, under instruction from the Department of State, for the purpose of obtaining data for the regular annual report on American citizens, interest, and investments abroad. As a result of the withholding of such information, it is difficult to determine the precise extent to which American interests are represented by the association.

Mr. Rodes' reply to that reads as follows:

In paragraphs 12 and 13 you make certain remarks, prompted undoubtedly by the State Department's commercial policy personnel about failure to receive certain statistics from members of the American Trade Association, and state that it is difficult to establish precise extent to which American interests are represented by the association. This concerns the State Department and American citizens resident in Morocco. The question of American interests may be raised in connection with a corporation. As far as an individual American who owns his own business is concerned, it would appear that any doubt of American interests can be dispelled by the presentation of his passport, accompanied or not by an Army discharge. The active membership of the American Trade Association is limited to American citizens engaged in business on their own right or managing an American concern so engaged.

Mr. President, I believe that in truth and fact that statement is not correct.

These gentlemen, instead of being engaged in business on their own, are actually a front for French and Moroccan interests who use them and their American citizenship as a means of bringing goods into Morocco which could not be brought into that country under ordinary trade regulations.

The questions on the questionnaire sent are brief, and I should like to bring them to the attention of the Senate. The first questionnaire, addressed in 1948, is entitled "American Citizens, Interests and Investments Abroad." These questions are asked of all Americans throughout the world, so that if an occasion should arise when the State Department desired to be of assistance to them, or if they got into trouble, the Department would have accurate information as to what a firm was doing. The questionnaire reads:

AMERICAN CITIZENS, INTERESTS AND INVESTMENTS ABROAD, 1948

In order to compile a report on United States citizens and investments in foreign countries for the Department of State, the United States Consulate General in Casablanca sent a routine questionnaire requesting the following information to all United States businessmen. Most of the members of the American Trade Association of Morocco refused to answer the questionnaire.

1. Name of firm.
2. Manager or person in charge (specify nationality).
3. Total capital.
4. Percentage of total capital, and amount in United States dollars, controlled by United States nationals (as of date firm established and as of date of questionnaire).
5. Names of American investors.
6. Dollar investments in the United States.
7. Total exports to United States.
8. Total imports from United States.
9. List of more important exports and imports.
10. Volume of business transacted in United States dollars.
11. United States loans made during year:
 - (a) Short-term.
 - (b) Long-term.
12. Number and names of United States nationals employed.
13. Average number of foreign employees.
14. Special problems, if any.

The members of this association refused to answer that questionnaire. On the other hand, there are in Morocco American business firms, a list of which I have, which did answer. They included: Socony Vacuum Oil Co., Armstrong Cork Co., Coca-Cola Export Co., International Business Machine Co., St. Joseph Lead Co., Atlantic Refining Co., Newmount Mining Co., Singer Sewing Machine Co., International Harvester Co., Republic Enterprises, Inc., Standard Oil Co. of New Jersey, Compagnie Continentale du Maroc S. A., which had 50-percent American interest.

They all answered. The requirement to respond is on American citizens. Mr. Rodes says the corporations can answer, but an American citizen is not required to answer these questions, that all he has to do is to show his passport and his Army discharge.

When these gentlemen complained to the State Department that they were being discriminated against in Morocco, having failed to answer the 1948 questionnaire, a direct request was made of them, dated March 8, 1949. This was from the Consul General in Morocco to

the American Trade Association. It read:

MARCH 8, 1949.

SIR: The Department of State, Washington, D. C., has expressed interest in knowing the amount of trade with the United States effected by the American Trade Association of Morocco.

It is therefore requested that the American Trade Association furnish the Consulate General with a list by individual members of the total 1948 imports from the United States in dollar value and franc value. It would be further appreciated if the merchandise imported would be classified by the more important commodity headings.

It is requested that this information be presented at the earliest possible moment.

Very truly yours,

C. PAUL FLETCHER,
American Consul General.

That letter was dated March 8, as I have said. Nearly 2 months later, on May 4, this was the reply:

MAY 4, 1949.

SIR: With reference to your letter of March 8, 1949, in connection with the amount of trade with the United States effected by the members of the American Trade Association of Morocco, I enclose herewith list showing approximate imports for the year 1948.

Owing to the absence of some of the association members it has been difficult to obtain exact figures.

Yours truly,

F. GRAHAM
(For American Trade Association of Morocco).

There was appended this statement of the business done by the organization, as follows:

Imports from United States in 1948

Asbestos	\$10,000
Chemicals	48,000
Electrical appliances.....	180,792
Foodstuffs, candy, gum, etc.....	825,820
Lubricating oil.....	80,000
Miscellaneous.....	67,200
Machinery and spare parts.....	45,700
Plastics.....	71,090
Refrigerators.....	165,836
Sugar	76,000
Tires	243,666
Typewriters.....	132,000
Textiles and used clothing.....	818,646
Tractors.....	68,000
Vehicles	2,439,676
Washing machines.....	10,000
Wireless sets and phone records..	10,400
Total.....	5,292,826

These individual firms never have, in either of these instances, furnished the State Department with any definite information about their business.

Obviously the reason for that is, first, that it would lead to disclosures as to whether or not they were buying francs in the black market. Certainly it is not to the interest of this country, when we are trying to stabilize the currencies of these foreign nations, to encourage operations in the black market. Second, Americans abroad are required to pay income taxes. That also might have had an influence in the matter.

It seems to me that if we reason this matter out, we must arrive at the conclusion that this must have been what happened, that there were some of these 34 gentlemen who were in Morocco prior to the war, most of them having gone there as soldiers, and remained abroad. They had no capital with which to engage in trade. They were not wealthy

men. They could not have gone into this business unless they did so with the aid of money furnished them by Frenchmen or Moroccans who desired to import goods, luxury goods, in contravention of the arrangements we had had with France with respect to imports.

Mr. President, that being the case, it is my judgment that they are primarily a front for French and Moroccan interests, and that for that reason they have declined to furnish the State Department with the necessary information, when twice requested to do so. Under those circumstances it seems to me that we should look with some suspicion upon a situation of this kind.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. The Senator did not read the entire letter of May 4, 1948, from Mr. Hoffman to Mr. Robert Ernest Rodes. I want to read from it, although I believe the Senator would probably give more credence to it than I do. However, I shall read from it.

As concerns your second point—that there has been discrimination against American importers in French Morocco in the issuance of import licenses for goods financed—

Not by the French, as suggested by my good friend the Senator from Arizona, but financed by the ECA—

for goods financed by ECA—it seems to me quite possible that there has been discrimination of this kind.

There we have Mr. Hoffman's statement that there has been discrimination against these Americans. It is true there are not many of them. But if there has been discrimination it ought to be corrected, and this is the only way we can correct it.

Mr. HAYDEN. If there was discrimination why were these individuals unwilling to open their books and tell the government to which they were appealing about them? In a case such as this, they were appealing to the United States Senate to take action to protect them, when what they were doing, if my suspicions are at all correct, was to destroy the very object we are trying to accomplish, that is, to rebuild the economy of Europe.

Mr. GEORGE. Mr. President, will the Chair yield to me to make a statement?

Mr. HAYDEN. I yield.

Mr. GEORGE. The Senator from Arizona asks why they were unwilling to open their books. I went into this matter as some length. I was assured by not merely one of these men in French Morocco, but by three of them, and I have their correspondence that they did not dare disclose all the secrets of their business because the officers in Morocco with whom they had to deal were ready to take advantage of them so far as their business matters were concerned. They may have been wrong about it, but there is some evidence, to my mind at least, that they were acting in good faith.

It is against that sort of general condition which they have appealed in vain to our State Department and to Mr. Hoffman. I can very well understand why 37 lonely Americans in French Mo-

rocco would not care to be disclosing all their secrets to hostile officers who would take advantage of them. But I think they did convince the State Department they were perhaps entitled to certain treaty protections. The State Department, however, talked about black market operations, something in the nature of pleas in avoidance, rather than giving the direct protection which the State Department should extend to an American citizen when he has to deal with a situation such as this.

I do not want to be unduly critical of the State Department, nor of Mr. Hoffman's organization, but I have repeatedly called the attention of the organization, through Mr. Brown, to whom I was directed to present the case, to the facts as they were disclosed to me. While some of these young men may not have responded as fully as they should have responded, and while they may have engaged in some sort of black-market operations, that does not and cannot relate to treaty rights, that is, to general provisions for equal treatment to which they were entitled under the treaties.

Mr. HAYDEN. If they were engaged in shipping American cotton goods to Morocco, and exchanging those cotton goods, let us say, for Moroccan manganese to ship back to the United States, and were doing it as American citizens, they were entitled to protection. If, on the other hand, they were acting as a front to enable French and Moroccan interests to import luxury goods which otherwise could not be imported, and in that way injured the European recovery program, and if they went into the black market to exchange the francs they received for American dollars, they were again acting against the interests of their own nation. I say that men who come with clean hands should not hesitate to tell their government the truth about their business when they appeal for its protection. They have not done so.

Mr. GEORGE. Mr. President, I should have to take issue with my good friend from Arizona on the basis of the facts as I was able to ascertain them.

Mr. McKELLAR. There was no evidence of that kind in the record.

Mr. FULBRIGHT. Do any of these men pay income taxes to the United States Government? The Senator says they are supposed to.

Mr. HAYDEN. I do not know anything about income taxes or black-market operations. I know that if they were acting openly and above-board they would make reports similar to those made by other American businessmen throughout the United States.

Mr. FULBRIGHT. Have they made no reports?

Mr. HAYDEN. They have not, so far as I know.

Mr. McKELLAR. Mr. President, we should not decide this question on the suspicion of our good friend, the Senator from Arizona [Mr. HAYDEN], who is one of the best men in the world. He admits that there is no evidence to this effect. He simply has suspicions that they were, maybe, in the black market business in Morocco.

Mr. HAYDEN. I read the following statement in regard to that matter, a statement which comes from the State Department:

It is naturally difficult to obtain definite proof of illegal exchange transactions on the part of American, or any other, importers in French Morocco. However, numerous reports received from the Consulate at Casablanca state that, on the basis of trade statistics, it became quite evident that francs were being exported to the Tangier free market or to the Paris black market for conversion into dollars in contravention of Moroccan exchange control regulations. These statistics showed great discrepancies between the volume of imports from the dollar area and official allocations of exchange, and thus made it clear that a great percentage of imports were being financed by illegally obtained dollars.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Senators may have various opinions respecting certain matters, and what the Senator has just read is simply the opinion of someone in the State Department. That is not an accusation against these American citizens of violating any law.

Mr. McKELLAR. The statement just read is wholly different from the testimony of the Administrator.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. BALDWIN. If these young men, these veterans, who, it appears, are charged in a sort of a left-hand way in that letter, are violating the law, they can be prosecuted, can they not?

Mr. HAYDEN. Yes.

Mr. BALDWIN. And if they are convicted, then they are beyond the pale of the law, and they have no rights. Is that not correct?

Mr. HAYDEN. But if the Senator were charged with a crime, would he say, "Why do you not arrest me?" He would say, "I am not guilty. I have not committed the crime." They do not say that.

Mr. BALDWIN. I do not understand that they ever said, "Why do you not arrest me?" The point I want to make in one final sentence is this. The violation of one law does not justify the violation of another. Two wrongs do not make a right.

I think that is the extent to which the argument of my distinguished friend from Arizona goes.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAYLOR (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If he were present and voting, I understand that he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announced that the Senator from California [Mr. DOWNEY]

and the Senator from Idaho [Mr. MILLER] are necessarily absent.

The Senator from Montana [Mr. MURRAY] is detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is detained on official business.

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. REED] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] is detained on official business. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Kansas [Mr. SCHOEPEL] is absent by leave of the Senate.

The result was, yeas 42, nays 44, as follows:

YEAS—42

Aiken	Hayden	Millikin
Anderson	Hickenlooper	Morse
Byrd	Hoey	Myers
Chapman	Humphrey	Neely
Connally	Hunt	O'Connor
Donnell	Johnson, Tex.	Robertson
Douglas	Johnston, S. C.	Saltonstall
Dulles	Kefauver	Smith, Maine
Flanders	Kilgore	Sparkman
Frear	Lodge	Taft
Fulbright	Lucas	Thomas, Utah
Graham	McGrath	Thye
Green	McMahon	Tobey
Gurney	Magnuson	Vandenberg

NAYS—44

Baldwin	Hendrickson	McKellar
Brewster	Hill	Malone
Bricker	Holland	Martin
Bridges	Ives	Maybank
Butler	Jenner	Mundt
Cain	Johnson, Colo.	O'Mahoney
Capehart	Kem	Russell
Chavez	Kerr	Stennis
Cordon	Knowland	Thomas, Okla.
Eastland	Langer	Watkins
Ecton	Long	Wherry
Ellender	McCarran	Wiley
Ferguson	McCarthy	Williams
George	McClellan	Young
Gillelte	McFarland	

NOT VOTING—10

Downey	Reed	Tydings
Miller	Schoeppel	Withers
Murray	Smith, N. J.	
Pepper	Taylor	

The VICE PRESIDENT. On this vote the yeas are 42, and the nays 44. The decision of the Chair does not stand as the judgment of the Senate.

The question is on agreeing to the committee amendment on page 5, beginning in line 3. (Putting the question.)

Mr. LUCAS. Mr. President, I was on my feet before the Chair put the question.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. LUCAS. I thank the Chair.

Mr. President, it is my understanding that the Republican National Committee is in town, and that it plans to have a little banquet tonight—

Mr. WHERRY. A big one.

Mr. LUCAS. A big one, the Senator from Nebraska says. I understand that it will be a big one, and will probably last a long time, if the newspaper reports are correct. I wish my colleagues on

the other side of the aisle all possible pleasure tonight; and that they finally get around to the peace and amity which they have been trying to reach for quite some time.

Mr. President, in view of the lateness of the hour and the vote overruling the decision of the Chair, we shall not now debate the amendment on its merits. From what little I have heard this afternoon in regard to the merits of the amendment, I think perhaps there will be a number of Senators who will desire to enter the debate tomorrow.

Consequently, I shall move that the Senate take a recess—

Mr. WHERRY. Mr. President, will the Senator withhold that motion until I can ascertain whether the Chair has stated the result of the vote on the amendment, or whether the Chair went no further than to state the result of the vote on the question whether the decision of the Chair should stand as the judgment of the Senate?

The VICE PRESIDENT. No; the Chair made no announcement as to the vote on the amendment.

Mr. McKELLAR. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Will the Chair make the announcement?

The VICE PRESIDENT. No; the Chair will not make an announcement as to the result of the vote on the amendment, because the Senator from Illinois requested recognition.

Mr. McKELLAR. I misunderstood; I thought the Chair was in the process of stating that, because of the last vote, the Senate had overruled the decision of the Chair.

The VICE PRESIDENT. Oh, no; the Chair announced some time ago the result of the vote on that question.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The Chair was putting the question on the amendment, and asked for the Senators who favored the adoption of the amendment to so indicate, and that had been done, whereupon the Senator from Illinois requested recognition, and was recognized.

Mr. McKELLAR. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Is it now in order to move that the Senate reconsider its recent vote, and then to move to lay that motion on the table?

The VICE PRESIDENT. If the Senator from Illinois will yield for that purpose, it will be in order.

Mr. BALDWIN. Mr. President, will the Senator yield to me for a moment?

Mr. LUCAS. I yield.

Mr. BALDWIN. I should like to ask the Senator from Illinois to withhold his motion that the Senate take a recess, until it can be ascertained whether we can obtain a vote tonight on this amendment. I have talked to several Members of the Senate who are interested in it, and indication is that the debate on it is over.

I do not know how the junior Senator from Georgia [Mr. RUSSELL] may feel

about it; but almost all Members of the Senate are here now, and we could move just that much further along with the consideration of the bill if we could obtain a vote on the amendment tonight.

Mr. LUCAS. Mr. President, I regret that it will not be possible to have a vote on the merits of the amendment tonight, because some arguments on the amendment will be made tomorrow on the floor of the Senate. I take this position primarily because of the request made by the distinguished minority leader. I mentioned the possibility of a night session, but he begged me not to have one tonight because, as he told me, the Republican National Committee is in town for the meeting to which we have referred.

So, in deference to the distinguished minority leader and other Members on his side of the aisle, who will attend the banquet tonight, I shall not move that a night session be held, thus requiring the Senate to remain in session considerably longer.

Mr. WHERRY. Mr. President, I appreciate the Senator's position. The reason I inquired whether a vote had been taken on the amendment was that I felt an opportunity should be given to the distinguished Senator from Georgia [Mr. RUSSELL] to move that the Senate reconsider its vote on the question of sustaining the decision of the Chair, and that then an opportunity should be afforded to move to lay the motion to reconsider on the table.

I think there will be debate tomorrow on the merits of the amendment. But I think an opportunity should be given the Senator from Georgia to move to reconsider the last vote, and then to move to lay the motion to reconsider on the table.

Mr. LUCAS. That opportunity will be afforded tomorrow.

Mr. RUSSELL. Will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. Of course, the Senator from Illinois has the floor, and he can move that the Senate take a recess, and thus deny the right that is usually extended under such circumstances. I have no desire to preclude any discussion of the amendment. I hope it will be discussed very fully, because there are some phases of the amendment concerning which I trust we may be enlightened. I, myself, should like to have some enlightenment on the amendment from some sources.

But it seems to me that we might go through the formality of closing the proceedings insofar as the last vote is concerned.

Mr. LUCAS. In that connection, I may state, for instance, that only a few minutes ago I told the distinguished Senator from West Virginia, who now has left the Chamber, that there would be no further votes tonight. He is taking care of some problem in the executive branch of the Government and has left for the day. I have told other Senators the same thing.

Of course, after Senators are told there will be no further votes on a certain day, it almost always happens that requests subsequently are made to have

votes taken on that day. I suppose the majority leader should never advise any Senator that he can leave the Chamber and can go down town in order to transact some business with a governmental department, and that he may do so in reliance upon the word of the majority leader that no further votes will be taken.

But in order to keep faith with the Senator from West Virginia, who particularly asked me, before he left the Chamber, whether other votes would be taken today—and I told him there would be no further votes—I feel that the Senate should take a recess at this time. It seems to me we shall lose no ground by doing so, and by having the amendment come before us tomorrow at noon, or even at 11 o'clock in the morning, if that is desired, for I shall be willing to move to have the Senate meet at 11 o'clock, if that is the wish of Senators.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LONG. If agreeable to the Senator from West Virginia, I shall be glad to give him a live pair, if that is desired.

Mr. LUCAS. The Senator from West Virginia did not ask me to get him a pair, before he left.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I merely want to make a brief observation. When I was thanking the distinguished Senator from Illinois for his cooperation, in order that a recess might be taken at this hour, I of course had in mind the fact that he had already made the announcement there would be no night sessions, and that was why the great Republican family planned to have its meeting Thursday night. But I appreciate the fact that we are recessing now at 6 o'clock. I do not want the RECORD to show that there is any particular accommodation in the fact that we are not having a night session, because the distinguished majority leader had already announced at the beginning of the week that there would be no night sessions this week. I wanted the RECORD to show that.

Mr. LUCAS. The Senator from Nebraska, of course, will not deny the fact that he requested that no late session be held, in order to accommodate the Republicans of the country who have gathered in Washington, D. C.

Mr. WHERRY. That is correct, and I appreciate the Senator's cooperation very much.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had insisted upon its amendments to the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEE, Mr. RICHARDS, Mr. MANSFIELD, Mr. CHIPERFIELD, and Mr. JACKSON of California were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

TREATIES

Mr. LUCAS. Mr. President, there are certain treaties on the calendar which the Senator from Texas says should be ratified at this time.

Mr. WHERRY. I ask unanimous consent that the treaties be passed over tonight.

The VICE PRESIDENT. Is there objection to the request?

Mr. CONNALLY. Mr. President, we would like very much to have the treaties ratified. As a matter of fact they have been unanimously reported by the committee. They do not involve very important subjects.

Mr. WHERRY. I understand. I only request 1 day's delay.

Mr. CONNALLY. I cannot object to the Senator's request.

The VICE PRESIDENT. Is there objection to the unanimous-consent request? The Chair hears none, and the treaties will go over. The clerk will proceed to state the nominations.

NOMINATIONS PASSED OVER

Mr. LUCAS. Mr. President, I suggest the nominations of W. Walton Butterworth, Ellis O. Briggs, Nathaniel P. Davis, and Philip M. Kaiser be passed over.

The VICE PRESIDENT. Without objection, it is so ordered.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. LUCAS. I ask that the nominations in the Public Health Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the three nominations of postmasters in the State of Tennessee be passed over until the next session.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. I ask that the remaining nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters,

other than those for the State of Tennessee, are confirmed en bloc.

Mr. LUCAS. I ask that the President be immediately notified of all nominations confirmed this day.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 5, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received August 4 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance:

Roger M. Cole	Harry S. Wise
Stewart R. Panzer	Carl F. Essig, Jr.
Paul K. Benedict	William W. Quisenberry
Winslow J. Bashe, Jr.	William A. Rinn
Jarvis E. Seegmiller	
Richard S. Yocum	

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance:

Charles H. Lithgow	John C. Stirling
James V. Maloney, Jr.	Lee A. Craig, Jr.
Robert D. Sullivan	Benjamin M. Primer, Jr.
William E. Ganss	
John M. Bishop, Jr.	James W. Osberg, Jr.
Werner F. Cryns	Carl F. T. Mattern
Clifford H. Coie	James S. Hawthorne
Charles J. Buhrow	John A. Pierce
Charles L. Fellows	Francis Chanatry
Robert H. Aronstam	Robert L. Brutsche

Senior assistant surgeons to be surgeons (equivalent to the Army rank of major):

Gene B. Haber
Louis C. Floyd
Arthur H. Maybay

IN THE NAVY

The following-named officers for permanent appointment to the grade of rear admiral in the line of the Navy:

George C. Crawford	Apollo Soucek
Edward C. Ewen	Robert P. McConnell

The following-named officer for permanent appointment to the grade of rear admiral in the Supply Corps of the Navy:

Samuel E. McCarty

The following-named officers for permanent appointment to the grade of lieutenant in the line of the Navy:

Keith G. Fletcher	Carl J. Selberlich
James L. Baxter	Paul Bugg
Thomas A. Featherstone	Thomas B. Longley
Arthur E. Thompson	Louis R. Emme
William T. Shipes	Dean G. Fleming
Hugh N. Batten	Maurice J. Underwood
Vann E. Savage	Arthur D. Gordon
James H. Pyle, Jr.	Charles N. Scarborough
Gerald W. Stoddard	Ashley "R" Hodges
Andrew Hulshof	James H. Robertson
Merrill K. Martin	Irving T. Gumb, Jr.
Owen A. Roberts	Nils A. A. Carison
Robert S. Harward, Jr.	Daniel R. Paul
Robert E. Morris	Harley G. Salisbury
Wilbur L. Stallings	Conner M. Petrie, Jr.
Robert L. Pierce	Richard A. Caldwell
Joel E. Tilley, Jr.	Frank S. Howland
	William M. Newell

"J" "A" Linn
John M. Suddreth
William J. Hess
Daniel P. Zyila
Floyd K. Clymer
Joseph F. Stanfill, Jr.
Clyde E. Crowder
Benjamin Hashmall
John T. Dempster, Jr.
Harrison H. Baker
Warren L. Gibson
George W. Loveridge, Jr.

Leonard D. Welch
George E. Franklin
Wilbur W. Warlick
Aibin Marn
Harry E. Carter
Benedict J. Scott
Harry N. O'Connor
Joseph P. Tidwell
Robert W. Reeve
Thomas C. Young
Edwin W. Matthews

Joseph "S" Reedy
Warren F. Paris
Almon "P" Oliver
Lyttleton T. Ward
Joseph L. Coleman
Robert P. Heekin
Willis E. Hardy
Edward Iglesias
Edgar L. McNett
Thomas W. Teal
Wilbur E. N. Keil
Richard E. Duncan
Clarence R. Meissner
Howard R. Wallace
Paul F. Lotah
James M. Bouldin
Edward J. Lawrence
William S. Hertig
Harold R. Eyer
Riley T. Folsom
Wallace E. MacDonald
Ralph R. Caruthers
Warren C. Richison
Addison R. English
Kenneth E. Lindley
Robert S. Sherman
Joe J. Culotta
George E. Barber
William B. Dever
Edward G. Kelley
Gerard P. Zornow
John A. Mattison
Michael J. Rura
Robert B. Linn
Douglas G. Parramore

Joseph R. Stroupe
Louis J. Schoenfeld
Carl R. Wenz, Jr.
Donald E. Brunner
Donald B. Long
Thomas J. Baxter, Jr.
Lloyd W. Moffit
Charles E. Rodgers
Kelth J. Evans
Earl P. Seymour
Homer D. Savage
Marvin J. Neison
James B. Doster
Emeryk Lichnerowicz
Francis F. Johnson
John T. Freeman
John F. Davis
Roy P. McCloskey
Norbert P. Vegelah
William F. Walker
Richard M. Hopfinger
Mitchell L. Udick
Maurice O. Rishel
Lewis G. Gifford
Charles L. Duss
Lester Morris
Andrew R. Smith
Paul A. Veres
Charles H. Carroll
Robert C. Morris
James H. Crawford, Jr.

Joseph McNaughton
Clarence H. Howard
George E. Dennis
Samuel J. Miller
Raymond M. Chester
Charles C. O'Hearn
Vincent D. Maynard, Jr.

Maurice M. Perrine
Michael F. Rogus
William D. Acton
Joseph Bigger
Clifford I. Nettleton
William G. Whisler
John R. Kersey
Herschel B. Thorpe
Elmer C. Fry
Byrum C. Bingham
Lewis M. Moore
Ezra R. Bennett
David E. Glassman
Addison E. Medefind
Hector S. McDaniel
Howard C. Zangel
Arthur R. W. Thomas
Jack L. Erickson
Dale V. Hansen
Clifford S. Tomlinson
Robert J. Barnes
Paul E. Krebs
Harry E. Johns
Leonard R. Laughlin
John T. Gordon
William B. Moore
Fonville Kelly
Howard J. Stockert
Walter E. Constance
Elliott E. Okins
"J" "F" Branson, Jr.
Clyde C. McPherson
Charles W. Busey
Ralph S. Cerney
Bertheil L. Roberts
Jack G. Kaye
Ralph F. Stoll
Paul C. Stadler
Lawrence A. Farquhar
John R. Bohlken
Joseph Borlotti
Lauren M. Johnson
Robert J. Massey
Melvin H. Brantley
Ellis E. Lee
Arthur J. Manger
James E. Ivy
George H. Winslow
James B. Morris
Richard G. Tobin
Clarence L. Lambing
Frederick E. Berg
Larry E. Dunlap
Robert N. DeLa Hunt
Everett E. Wightington
Clarke B. Waibridge
Richard W. Mann
Ivo E. Hansen
Charles J. Deasy
John J. Foley
Norman P. Currin
David M. Jeter
Joseph H. Fisher
Francis M. Guttenberger

Robert H. Johnson
Lee R. Thompson
Leo Kelly
John K. Freeman
Thomas E. Greenwood
Bernard L. Zentz
Stephen F. Kelley
Bert R. McClelland, Jr.
Melvin E. Cail
Averil G. Griffin
Garvis D. Johnson
Victor J. Sibert
Leahman J. Holt
Herbert E. Duquette, Jr.
Adren P. Bonner, Jr.
John A. Deianey

William L. Thede
Richard J. Mumford
Waiter I. Perry
William B. Kuriak
Bruce Smith
John R. Bouchier
Albert J. Ross
John E. Echterling
Robert E. Angiemyer
Paul D. Davidson
Andrew Serrell
Henry H. Henderson
Harry K. Hoch, Jr.
Victor B. Rink
Lewis C. Ihrig
Alphonse G. Goodberlet
William R. Wilson
William E. H. Felchner
David P. Parks
Joseph J. Cote
Arthur D. Ronimus, Jr.
John L. Koch
Raymond V. Raehn
Melvin W. Cassidy
Alden M. Pierpoint
Carl C. Dace
John R. Miller, Jr.
Jerome O. Hovland
Roy S. Johnston
Donald H. Nitz
Norman M. Lambertsen
Arthur W. Motley, Jr.
David D. Harris
Wilfred G. Chartler
Bartholomew Cast-
riline
Milton B. Moreland

The following-named officers for permanent appointment to the grade of lieutenant in the Medical Corps of the Navy:

Edwin R. Shapard III	Walter S. Matthews, Jr.
Bruce B. Barnhill	
Frank M. Thornburg	John I. F. Knud-Hansen
Robert C. Lehman	
Harry C. Nordstrom	Robert W. Mackie
Robert B. Green	Robert J. Fleischaker
William C. Turville	

The following-named officers for permanent appointment to the grade of lieutenant in the Supply Corps of the Navy:

Paul W. Eidridge	Dwayne C. Miller
Walter B. Adams	Wendell McCrory
Ray S. Ewing	Paul B. Flitch
Bentley L. Wilson	Alfred V. B. Marrin
Houston W. McGlothlin	Eugene L. Tucker
Robert C. Lyons	Merlyn A. Nelson
Charles A. Vasey	Earl F. Hilderbrant
Lennus "B" Urquhart	John E. C. Ott
Thomas M. Brown	John W. Clift
Thomas J. Emmett, Jr.	Robert B. Webster
Alfred G. Lachmann	James E. Hickey
Gordon L. Groover, Jr.	Elwood M. Bevins
William B. Farley	Earl G. Clement
Frank L. Pearce, Jr.	Earl G. Fossum
John L. Foil	Roy M. McDaniel
Tadeus T. Merritt	Charles P. Ramsey
John H. Nuck	Edward J. Miller
Richard Bergen	Paul N. Bentley
Robert A. Wells	William H. Settler
Conway C. Baker	Paul Gertiser
	Whitney A. Chamberlain

The following-named officers for permanent appointment to the grade of lieutenant in the Chaplain Corps of the Navy:

Harold E. Meade	Joseph P. Cusack
Edward R. Martineau	William G. Tennant
William G. Sodt, Jr.	Thomas B. Uber II
Soren H. F. Andresen	James E. Emerson
Jackson D. Hunter	Richard P. Heyl
James W. Lewis	Elmo M. T. Hawkins
Oscar Weber	Bernard J. McDonnell
Arthur L. Dominy	James W. Lipscomb
Wendell S. Palmer	Stanley A. Mroczka
Robert C. Fenning	William F. Doyle

Daniel A. York
David E. Cummins III
Paul Roth
Robert "H" Ebersole
Elmer "P" Carlson
Inslee E. Granger
John R. Atkins
Charles H. Hoar, Jr.
Theodore Hladik
Merritt W. W. Baldwin, Jr.
James E. Jenkins
David Miller
William M. A. Greene
Max F. Rolih, Jr.
James W. Bowen
Newell W. Smith, Jr.
William I. Brewington
Theodore L. Morgan
Walter R. Smith
James E. Tanner
Henry E. Ethier
Richard M. Davis
Clayton C. Windsor
William J. J. Heffernan
Derrill P. Crosby
Aloysius Sally
John B. Pruden
Oscar S. Maddox
Luther G. Bearden
John L. Perry
George W. Stubblefield, Jr.
John W. Casey, Jr.
William S. Rhymes
Thomas Fields
Robert W. Jensen
Edward A. Gurry

H. R. 4830

IN THE SENATE OF THE UNITED STATES

AUGUST 4 (legislative day, JUNE 2), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. KEM (for himself, Mr. WHERRY, and Mr. McCLELLAN) to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendments, viz:

1 On page 12, after line 12, insert the following:

2 “SEC. 202. No part of the appropriations contained in
3 this Act shall be furnished to any participating country,
4 the government or any agency thereof, which shall, after
5 the date of enactment of this Act, acquire or operate, in
6 whole or in part any basic industry thereof, other than
7 industries the acquisition of which has been completed prior
8 to the date of enactment of this Act.”

9 On page 12, line 13, strike out “SEC. 202” and insert
10 in lieu thereof “SEC. 203”.

AMENDMENTS

Intended to be proposed by Mr. KEM (for himself, Mr. WENRY, and Mr. McCLELLAN) to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

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Chiang Kai-shek that he stood them as he stands today uncompromisingly against this tie up with international communism.

That China has faults is not news. We have some of our own. She had many of the same problems in 1941 yet we extended aid and became involved in a war because we believed that the national security of our Nation required a free and independent China. China in the Soviet orbit is as great a menace as China in the Japanese orbit. We have adequate military and civilian testimony on that score.

RURAL ELECTRIFICATION—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I ask to be printed at this point in the CONGRESSIONAL RECORD on the subject of Rural Electrification.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A MODERN STANDARD OF LIVING FOR AMERICAN AGRICULTURE

I have commented previously in the Senate on this essential fact: The American farmer of today insists upon his God-given right to enjoy as high a standard of living, insofar as possible, as the folks who live in the villages and cities. The day is gone when the farmer in Wisconsin or anywhere else in America would be content to be a second-class citizen, so to speak. All of us who have lived and worked on farms, know the back-breaking labor and hours which the farmer and his family put in. We know that if there is anybody on God's green earth who deserves a high standard of living, it is the men and women who produce the Nation's food and fibers.

CHALLENGE TO CONGRESS

This Congress is challenged by many pieces of legislation in order to help improve the standard of living on the Nation's farms. We've got to make the farmer's life more interesting, more comfortable, insofar as possible. We've got to bring in electricity to more farms, more phones to the farm, more conveniences for the farmer's housewife and children.

I say that not only in the interests of the farmer, but in the interests of the businessman and the laboring man in the village, town, and city. If we bring the miracle of more electricity to the Nation's farms, we make the farmer a consumer for all the tremendous variety of gadgets which are so essential in the average household. The farmer should have a refrigerator, an electric stove, a washing machine, a hot water heater, automatic coal stoker or oil furnace, vacuum cleaners, a radio, a television set, deep freezer, as well as many other items which most folks in the cities wouldn't think of doing without.

A recent issue of the Wisconsin REA News discussed this subject in detail and commented upon Horizons Unlimited in Electric Age. It showed, for example, how electricity can do farm chores that were previously absolutely impossible to do on the average small farm or that took so many man-hours as to be uneconomical or completely exhausting.

Fifty years ago less than 20 percent of Wisconsin's farms were connected to electric lines. Fortunately, within the last 12 years kilowatts have been brought to over 90 percent of the farms on the Nation's dairyland. Everyone who has lived on a dairy or other farm knows what an electric milk cooler can mean, a barn ventilator, a portable milking machine, a silage cutter, an electric chick

brooder, hay hoist, as well as innumerable other farm machines.

WISCONSIN'S TOP POSITION IN DAIRYING

Electricity has helped Wisconsin gain its top-notch position in American dairying. Today, my State has more than one-tenth of all the dairy cattle in the United States—over 23,750,000 cows. Wisconsin farmers use more than one-sixth of the Nation's milking machines, over 36,000. The value of our dairy cattle is over \$504,000,000.

Fourteen of the Nation's 25 highest milk-producing counties are in Wisconsin. Our cheese factories produce 87 percent of the Nation's brick and munster cheese, 66 percent of Swiss cheese, 55 percent of Italian cheese, 48 percent of Limburger, 46 percent of our great standby—delicious American cheese, 30 percent of cream cheese.

I cite these figures as an indication of the meaning of dairying to Wisconsin. That, in turn, brings us to the fact that efficient, modern dairying is essential in order to assure an ever better market for Wisconsin towns and cities, as well as areas elsewhere in our Nation.

LACK OF ENOUGH PHONES

We still, of course, have a long way to go toward bringing the farm up to a truly American standard of living. The lack of sufficient rural telephone service is but one illustration. Even in a State which has enjoyed considerable farm prosperity, like Wisconsin, in 1945 only 86,000 of our farms had phones, or a bare 48.4 percent. Yet 25 years previously, 51.9 percent of Wisconsin's farms had phones. Why, I ask, and everyone asks, should not we act by appropriate legislation to help make sure that these farms do get phones?

POOR RETURNS TO THE FARMER

Tied, up, of course, with the whole question of the standard of living of the Wisconsin farmer is the question of whether or not he personally will have the purchasing power in order to buy modern conveniences. When Wisconsin farmers are receiving, as they are in many areas now, around 6 cents for a quart of milk (the same quart sells in the city for 19 to 20 cents) how can the farmer possibly buy the products produced by the city laborer or sold by the country store?

SELF-SUPPORTING REA LOANS IN WISCONSIN

The farmer does not ask for any special privileges but only asks what he is entitled to as the very backbone of this Nation. The farmer, organized in his rural electrical cooperative, has paid the Government for the blessing of having electricity brought to his farm. The first REA loan in Wisconsin was approved in May 1936. As of June 1949, the Rural Electrification Administration had approved more than \$80,000,000 in loans to 31 Wisconsin cooperative borrowers. These loans have covered the full cost of power facilities, but I call attention to the fact that the money is granted only on the condition that it be repaid at 2 percent interest over a maximum period of 35 years. The loans have enabled the co-ops to finance the construction of 27,000 miles of electric lines and other rural electric facilities in order to serve almost 80,000 farms and rural establishments. The REA News reports that "most of the construction has been completed but additional lines are being built as rapidly as possible."

THIS IS FREE ENTERPRISE AT WORK

This, Mr. President, is not in contrast to our free-enterprise system. On the contrary, it is a vital element of our free-enterprise system. How can our private economy possibly be sound and prosperous unless it is based upon a sound and prosperous farming with high purchasing power and a tremendous demand for new goods and services?

I mention these facts not because our rural people require any great degree of information on them, but because I am afraid that those folks in the towns, the villages, the

cities, are not sufficiently aware of these elementary facts of life. I don't want to see a gap develop between the city and the country. I don't want to see misinformation or phoney charges fly back and forth. I want to see cooperation in the true American way. I want city folks to understand the serious meaning to them (not only to the farmer) when the farmer's milk return drops as it has in Wisconsin to a terribly low average in May of \$2.85 per hundredweight of milk—a decline of over \$1.42 from a year earlier.

WISCONSIN FARMER INSISTS ON HIS RIGHTS

I conclude therefore with my original thought: The farmer is no longer content to be cast in the role of an oppressed peasant which was and is his traditional role in Europe. The farmer today is educated, alert, vigilant to look after his own interests, to cooperate with his fellow farmers. He will not be treated as a second-class citizen. He will not be denied elementary comforts and conveniences to which he is entitled. He will not allow his economic throat to be cut by a Government which fails to recognize his need to get back his costs of production plus a reasonable profit on products in which he invests so much back-breaking toil and so much machinery and equipment.

Let there be more sympathy and understanding of the farmer's problems. Let there be more encouragement of him so that he in turn can play his vital role in relation to city life and city prosperity in our country.

FOREIGN-AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. WHERRY. Mr. President, I should like to inquire of the majority leader whether or not there is to be a Saturday session. Many Senators are interested in knowing.

Mr. LUCAS. Mr. President, there will be no Saturday session.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 5, line 3, which will be stated.

The CHIEF CLERK. On page 5, line 3, after the numerals "1950", it is proposed to insert "Provided further, That no part of the funds herein appropriated with respect to which local currencies are deposited as provided in section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, shall, after deposit in local currency accounts as a result of assistance furnished, be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (2) causes or permits any area dependent upon it (as designated in the Bilateral Agreements) to fail to comply with any such treaty."

Mr. HAYDEN. Mr. President, yesterday, as will appear from the CONGRESSIONAL RECORD, I expressed some suspicion that Americans located in Morocco were acting as a front for French or Moroccan citizens, thereby enabling them to import goods into Morocco which the French or the Moroccans themselves could not import because of restrictions imposed upon citizens of that country under our agreement with France. I had nothing but a suspicion; but a Senator obtained from the Library of Congress a copy of Harper's magazine for September 1948, in which appears an article entitled "Young Man, Go to Casa-

blanca," written by Edward Toledano. At the bottom of the first page appears this statement:

Like many of the GI's described in his article, Edward Toledano landed in Morocco in 1942 with the American forces and has now returned there to start an import and export business of his own.

This article was reprinted in the Reader's Digest in abbreviated form, under the heading "Go east, young man, to Casablanca, by Edward Toledano, who landed in Morocco in 1942 with the United States forces and now has an import-export business there."

Above that is the hearing: "The boom in Morocco, where European refugees and some American veterans are finding new prosperity."

I should like to read a few extracts from the Harpers magazine article, which I think justifies fully the suspicions I expressed yesterday. I read now from page 111 of the magazine:

After the war, many GI's stayed to investigate the possibilities of the country they had so briefly seen. A few, taking advantage of their veterans' priorities, bought entire camps and great stocks of Army surplus—with the backing of local capital. In their hands, Army vehicles were used to create and extend transport facilities in an area poor in railroads. With the prestige of their American nationality, they eased themselves into partnerships with local businessmen. Through this mutually advantageous union, they could exploit the oddly constructed Moroccan market which catered to a Moorish majority of low buying power and to Europeans whose increasing prosperity and desire for goods far outstripped what was on hand for sale.

The problem was to get consumer goods and equipment into the country to supply these new and unsatisfied needs. Frenchmen were hampered by the difficulties of obtaining dollars, coping with fluctuating rates of exchange and getting import licenses. Americans on the other hand could get dollars either from the United States or by sending francs into the International Zone to be converted. Extraterritorial laws made them subject only to United States consular authority both in civil and commercial regulations. Taxes were at a minimum. And since import licenses granted to Americans caused no drain on France's dollar balance, they were easy to obtain.

Into this low-tax paradise, the ex-GI's dug their roots, bringing their families or marrying local French girls. * * *

It was the usual competitive struggle with each one grabbing for an assignment to sell the latest gadget or hold an important agency. * * *

These Americans who had vision enough to stay are cashing in on the salesmanship of our troops. The GI enthusiasm over ice cream, Coca-Cola, and other small luxuries of their former life has spread to the civilian population. Today hundreds of meters of wall space, once virgin to publicity, are plastered with vividly colored posters.

The posters are in Arabic, as indicated in the magazine.

I read further:

It means Coca-Cola in Arabic. An American who had formerly been in the diplomatic service obtained this franchise for Morocco. Not wishing to make it appear that Americans were hogging all the profits in a country not theirs, he formed a company which included local businessmen. But for all the native participation, there can be no doubt as to the company's American inspiration.

Then, in describing the prices the article states:

Chiclets cost 16 francs for a package of four, Philip Morris cigarettes 90 francs, cokes 25 francs. To translate that into dollars, the average American needs a slide rule. But the experienced Moroccan can rattle off the bewildering equivalents: Official exchange, 215 francs to the dollar; Paris exchange, 305 francs to the dollar; Tangier exchange, 420 francs to the dollar. Before the smallest deal is consummated these figures must be juggled. * * *

Of such is the life of the twentieth-century American pioneer. And though he will tell you that Morocco is the America of a hundred years ago, he will smile as he says it because today he pioneers in comfort. As a former USAAF sergeant put it, he now "lives like a pasha, with servants who expect to be treated as such. The climate is excellent, the land can be cultivated all year round, and there's more than room for all the know-how I learned as a civilian in southern California. I'll never go back to flying."

I should like to add that this article, written by one of the Americans who is engaged in business in Morocco, clearly confirms what I said yesterday, namely, that they have been using their American citizenship as a front to enable them to accomplish business transactions which neither the French nor the Moroccans could carry on. I think that is perfectly clear.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. What is the date of the article?

Mr. HAYDEN. September 1948.

Mr. McKELLAR. In answer, I wish to read from a letter by Mr. Ernest A. Gross, Assistant Secretary of State, who was acting for the Secretary of State, as shown on page 10975 of yesterday's CONGRESSIONAL RECORD. In a letter to the Senator from Massachusetts [Mr. SALTONSTALL], Mr. Gross said:

The Department—

Meaning the State Department—

has repeatedly recognized that American businessmen have specific legitimate grievances in French Morocco that should be remedied, and these grievances have been discussed with the French protectorate authorities during the negotiations. In this connection I refer you to the memorandum sent to you on June 11, another copy of which is attached for your ready reference. The Department believes that the position of Americans will be ameliorated as a result of these discussions.

I read now from the document enclosed in that letter:

On December 30, 1948, the French protectorate authorities in Morocco issued a decree relating to this situation. The decree provided that imports made without an allocation of foreign exchange by the protectorate exchange office would be subject to the requirement of an import license, and limited such imports to a list of essential goods.

Because of the United States treaty position in Morocco, no law or regulation may legally be applied to American nationals unless this Government has given assent thereto. The French protectorate authorities therefore requested this Government's assent to the application of this decree to American nationals resident in Morocco. The protectorate authorities began to apply the decree before assent was given, and detained

goods consigned to Americans in the Moroccan customs. These goods were released at the request of the Department of State before discussion of assent took place.

So, Mr. President, it seems to me a question of judging as between an article written a year and a half ago by some person who wished to have something to say concerning Americans in Morocco, and a recent letter from the State Department. Would not the Senator from Arizona rather believe the State Department when it solemnly asserts, in a letter to a Member of the Senate, that discrimination is being practiced against Americans in Morocco, than to give any particular consideration to that drivel which was written some time ago and which, as the Senator stated yesterday, relates to a suspicion of his own?

Mr. HAYDEN. Mr. President, all I have stated is that the article is written by one of the Americans who is engaged in that business in Morocco.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. LONG. As a matter of fact, in the case of many such articles, is it not often true that after the journalists over here get through making making them appealing to the average reader there is so much exaggeration that even the writer of the article can hardly recognize it himself?

Mr. HAYDEN. I have had no experience of that kind; but I say that this gentleman, who is a former soldier, and who now is engaged in business in Morocco, described exactly what I suspected was going on, namely, that they are not doing business on their own, but they are doing business in order to accommodate French and Moroccans who could not otherwise take advantage of trade with this country.

Mr. LONG. Having served as a sailor in that area once, I may say to the Senator that I myself saw some articles about what was going on there which had no similarity whatever to fact. One who knew the facts could realize how little truth there was in them and how much exaggeration. Could not this be a similar situation?

Mr. HAYDEN. I cannot conceive why the man would have any desire to tell anything other than the truth. He was merely telling his own story of what happened there. It is a very interesting article, if the Senator will read all of it.

Mr. LONG. Is it not true, though, that a man in this country who is actually familiar with the Moroccan situation has offered evidence and testimony on that subject? I should like to know whether he was asked his opinion of this article insofar as various parts of it may or may not be true.

Mr. HAYDEN. Of course not, because I did not have the article yesterday. I only obtained it through the courtesy of a Senator. I should like to add a little more to what the Senator from Tennessee read from the letter of Mr. Gross, of the State Department. In the memorandum attached to the letter, the Department goes on to say that, in view of these representations, the Department

assents to this decree, but that the French made these concessions:

During the course of the negotiations, the French protectorate authorities made the following proposals:

1. With respect to the allocation of dollar exchange, they would (a) establish a comprehensive system of invitations to bid on all imported products susceptible of such treatment; (b) publicize all products to be imported; (c) establish quotas for the allocation to Americans of exchange covering certain commodities, with provision for new importers.

To continue the recital, the French authorities agreed:

2. They would grant licenses liberally for the importation, without an allocation of foreign exchange, of all items included in the list of essential goods published with the decree of December 30, which includes capital equipment.

3. They would not modify this list without the consent of the American consulates in French Morocco.

4. They would grant licenses for the importation, without an allocation of foreign exchange, of maintenance goods not on the list, upon the intervention of an American consulate in Morocco.

5. They would value imports on a uniform basis for customs purposes.

In view of these proposals our authorities agreed to the decree. That is the situation. It seems to me those arrangements which were made by the American consul should be entirely satisfactory to the Americans engaged in business there and should give them a just and fair share of the market. But how could one blame the French in the absence of any understanding of this kind for stating that what is happening there is, "Our laws and our regulations are being flouted; things are being done that no Frenchman can do and no Moroccan can do, simply because a man says 'I am an American' and insists he is doing it, for himself, when in truth and fact, he was acting for someone else"?

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Louisiana?

Mr. HAYDEN. I yield.

Mr. LONG. If I understand the situation, as it has been described, this decree was in all respects in compliance with the treaty. In other words, the parties to the treaty, the Moroccan and American Governments, could at any time make an agreement that they would limit the rights of American citizens in certain respects—if our nationals were violating the laws there, for example.

Mr. HAYDEN. That is exactly what was the occasion or the necessity for this agreement.

Mr. LONG. If the decree is then being properly enforced, I would take it there is no violation of the treaty.

Mr. HAYDEN. Not at all. I do not think there is any doubt about it. But what I object to is the assertion that treaties are being violated; that the American flag must be wrapped around an American citizen wherever he may be and he may do whatever he pleases, according to the letter of the treaty, regardless of whether he is actually asso-

ciated with nationals of the country in which he is located in doing something which they themselves could not do. That seems to be unfair.

Moreover, when the 34 Americans who belonged to the association were requested by the State Department to supply information as to their business, they refused to do so. It was a general inquiry made of all American interests in Morocco. Then, when there came a special inquiry after their complaint, they again refused to tell anything about their business, which naturally would arouse suspicion, at least in my mind, that they had something to cover up, and did not want to make a proper showing. For that reason I felt justified in saying yesterday, what is amply confirmed by the article in *Harpers Weekly*, that that is exactly what they were doing.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. CONNALLY. The Senator adverted to the fact that the State Department is now negotiating to meet the objections of the complainants. Is that correct?

Mr. HAYDEN. The Senator from Tennessee [Mr. McKellar] directed attention to a letter placed in the *RECORD* yesterday with respect to the matter, and as I understand from the Senator, negotiations are going on to clear up the situation.

Mr. CONNALLY. We are very hopeful of arranging it; but to cut off \$30,000,000 would not, in the long run, operate to the advantage of those persons, because restrictions could still be imposed and a satisfactory settlement of the business conditions might not be obtained.

Mr. HAYDEN. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 5, beginning in line 3.

Mr. CONNALLY. Mr. President, I should like to say a word or two.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. CONNALLY. I do not know whether the point of no quorum will be raised, but I should like to say that I sympathize with the complainants. I heard them rather extensively in the Committee on Foreign Relations, but they did not seem, to my mind, to make out a legitimate case. Their lack of frankness in revealing their business connections and associations was not at all reassuring. Furthermore, there are other American concerns which are doing business in that area, and they have no difficulty whatever in their operations. The complaint made is that under the old treaty all American goods, as I understand, were admissible without any restrictions or duties. I am assured by the Department of State that negotiations are being carried on for the elimination of the so-called discriminations. One thing about which complaint is made is that in order to import goods an import license must be obtained. Complaint is also made that in some cases there has been prejudice against them

and in favor of others, and that that constitutes a discrimination. My consultations with those who deal with the matter lead me to believe that probably in the past there have been a few instances of that nature, and it is to remedy that situation and to get a clear understanding of the matter in the future that the State Department is undertaking by negotiation to correct it. So I hope, Mr. President, the amendment will not be adopted.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. The Senator is chairman of the very responsible Committee on Foreign Relations. In that capacity has he received a communication or had information from the State Department that leads him to believe the State Department is doing everything it can rightfully do to protect the legitimate interests of American citizens doing business in Morocco?

Mr. CONNALLY. I cannot give the Senator absolute, detailed assurances on the question, but I had a conference this morning in my office with a high official of the ECA and with a representative of Mr. Hoffman in which I was assured that that is being done. I have a recollection that the State Department assured me of that fact. How far they have gone and what point they have reached, I cannot state in detail, but I am sure it is a fact that the State Department wants to protect the rights of American citizens there. However, let me say to the Senator that when American citizens refuse to divulge their business or operations they are not in very good grace to be demanding the things which they are demanding.

Mr. SALTONSTALL. Does the Senator agree that some American citizens in Morocco in the past year or the past 2 years have had difficulty with the French authorities and that their rights as American citizens are not fully protected under our treaty?

Mr. CONNALLY. I am sure they feel that way. I cannot give details, but the black-market operations have a bearing on the question. Their refusal to divulge to our own American consul the facts of their business, it seems to me, is a strong point against their contentions. I am not thoroughly familiar with all the details of the transaction, but, on the whole, I think the sacrifice of \$30,000,000 which would go to that area simply to placate those gentlemen is beside the point. They are American citizens and they should be willing to allow the State Department to work out the problem and to adjust the matter satisfactorily.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ELLENDER. As I understood from a letter which the State Department sent to the Senator from Massachusetts [Mr. SALTONSTALL]—

Mr. CONNALLY. From whom?

Mr. ELLENDER. From the Assistant Secretary of State, Mr. Ernest A. Gross. In that letter there is reference to a decree which was issued by the French protectorate authorities in Morocco un-

der date of December 30, 1948. Under our treaty this decree cannot become operative, and I read:

Because no law or regulation may legally be applied to American nationals unless this Government has given assent thereto.

Since this Government has not given assent thereto, how can it be said that our nationals have violated those decrees?

Mr. CONNALLY. I cannot answer that question.

Mr. ELLENDER. As I understand, there is no violation of any existing law. The decree which was issued under date of December 30, 1948, cannot become operative until we assent to it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HAYDEN. Our Government did assent to it.

Mr. ELLENDER. I was under the impression that the Congress must act because it involved the treaty itself.

Mr. HAYDEN. Not necessarily, at all. The State Department can assent to it. It assented to it for a period of 3 months, subject to the conditions which I read to the Senate. The question would remain open after that. Negotiations are now under way, to which the Senator from Texas referred.

Mr. ELLENDER. Is it the Senator's view that such a question can be dealt with entirely by the State Department, without any reference to Congress?

Mr. HAYDEN. Certainly.

Mr. ELLENDER. That is not what I understand the law to be. It would be possible for the Executive Department to change the terms of a treaty legally ratified by the Senate, without submitting the matter to the Senate.

Mr. HAYDEN. I call the Senator's attention to this statement written by Mr. Gross, Assistant Secretary:

In view of these proposals, and of this Government's interest in the effective utilization of the dollar resources of the franc zone, the American Legation at Tangier, Morocco, upon instructions from the Department of State, informed the French protectorate authorities on June 10 that the United States Government gave its assent to the decree for a period of 3 months.

They must have had authority to do it, or they would not have done it.

Mr. ELLENDER. I do not have the treaty before me. It seems to me that such a decree was in direct violation of the treaty and if I am correct, then the Executive has no right to assent to such a decree. The treaty should have been presented to the Senate in a revised form so as to cover the action taken by the Moroccan authorities and thereby affect our nationals.

Mr. DULLES. Mr. President, this debate has to do with a matter which I think legitimately concerns the Senate. In this situation, as oftentimes, I am sorry to say, the Department of State may not have been as vigilant as it should have been to protect the interests of American citizens abroad. I am in entire sympathy with anything that can be done by the Congress of the United States to arouse the Department of State to greater vigilance in this respect.

Having said that, however, I must go on to say that it seems to me the procedure contemplated here, while it may be healthy, so far as it has gone, in arousing the State Department to greater concern, would not be healthy if it resulted in the actual embodiment in a statute of the condition which is proposed.

I say that, Mr. President, because in international affairs, as in national affairs, there are certain orderly processes of law enforcement. In this particular case the Senate would in a sense undertake to make the United States its own enforcement officer, through, in effect, prohibiting the release of counterpart funds to any country which violated a treaty. That assumes that there is a treaty violation on the facts, and that the remedy which is proposed is an appropriate remedy commensurate with the offense.

Senators will surely remember that not so long ago, in July 1946, the Senate by overwhelming vote approved adherence to the Court of International Justice, the statute of which is part of the Charter of the United Nations. In that adherence we accepted the Court of International Justice as having—and I read from the resolution—"compulsory ipso facto and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the International Court of Justice in all legal disputes hereafter arising concerning * * * the interpretation of a treaty; * * * the existence of any fact which, if established, would constitute a breach of an international obligation; * * * the nature or extent of the reparation to be made for the breach of an international obligation."

France has accepted the same obligation, so that, in relation to alleged treaty violations with France, or with any other country with which we have a similar arrangement, and which has perhaps violated a treaty, it has been agreed that the Court of International Justice is the body which has compulsory jurisdiction to pass upon the interpretation of the treaty, the existence of facts which might constitute a violation of the treaty, and the remedy to be provided.

I would certainly hope that the Senate of the United States, in a very understandable and perhaps legitimate effort to arouse the State Department to the duty of enforcing our treaty rights, should not usurp to this country the authority to be itself the judge of the facts, of the interpretation of the treaty, the breach of the treaty, and the remedy to be applied, because if we do that we make ourselves guilty of the same type of treaty breach with which we are now charging other countries.

Mr. President, there are orderly processes of law enforcement, as between individuals and as between nations, and if we propose to set an example which will contribute to the development of international law and of justice between nations, we must follow in our international relations the same practices which we follow comparably within our own country.

We will be considering here shortly a bill to increase salaries. Suppose the Senate Committee on Appropriations attached a provision to the bill that no part of the proposed salary increase should go to anyone who had been guilty of a traffic violation. Clearly that would be a usurping of a law enforcement process by the Congress. There are courts which exist to determine whether or not people commit traffic violations, and what the penalties shall be if they do. That is the way in which we deal domestically with possible lawbreakers.

I earnestly urge upon the Senate that, when it comes to deal with the question of treaty enforcement, it should follow the processes which have been agreed to between our country and France and many other countries, and if we want to put pressure upon the State Department, we should find a way to do it which will not involve us in departing from the orderly processes of international intercourse.

Mr. SALTONSTALL. Mr. President, will the Senator from New York yield?

Mr. DULLES. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Is it the Senator's position that if we carry out what the pending amendment would ask us to carry out, and it were enacted into law, we would then be violating another international agreement we have made, submitting ourselves to the World Court?

Mr. DULLES. In my opinion, we would be.

Mr. VANDENBERG. Mr. President, I wish to make a supplemental observation to what it seems to me is the unanswerable position taken by the distinguished junior Senator from New York [Mr. DULLES].

It will be recalled that the Senator said, among other things, that the penalty should fit the crime in respect to a treaty violation, if a violation exists. What is the penalty which is being fitted to this crime, if there be one? I use the word "crime" only for the sake of the argument.

Under the amendment whatever has happened in Morocco, if in our own unilateral judgment it violates a treaty, is to be penalized by the withdrawal of all aid under ECA from the country which is responsible for this dependent area, to wit, France. Therefore the penalty is to be the withdrawal of all aid from France, and obviously the withdrawal of all aid from France is the collapse of ECA.

Mr. President, it seems to me that underscores the observation of the able Senator from New York. Even though this offense exists, as alleged, surely it does not warrant a penalty of that magnitude, because that penalty in turn has its repercussions upon us. It seems to me this discussion of the penalty in turn underscores the argument of the able Senator from New York that if there is a treaty violation it should be adjudicated between equal partners to the treaty by a tribunal which takes full jurisdiction of all the facts and arrives at a judicial conclusion.

The PRESIDING OFFICER (Mr. ROBERTSON in the chair). The question is

on agreeing to the amendment of the committee.

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Hoey	Miller
Brewster	Holland	Millikin
Bricker	Humphrey	Morse
Bridges	Hunt	Mundt
Butler	Ives	Myers
Byrd	Jenner	Neely
Cain	Johnson, Colo.	O'Connor
Chapman	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Robertson
Connally	Kefauver	Russell
Cordon	Kem	Saltonstall
Donnell	Kerr	Smith, Maine
Downey	Kilgore	Smith, N. J.
Dulles	Knowland	Sparkman
Eastland	Langer	Stennis
Ecton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarran	Thomas, Utah
Frear	McCarthy	Thye
Fulbright	McClellan	Tydings
George	McFarland	Vandenberg
Gillette	McKellar	Watkins
Graham	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Young
Hill	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on the committee amendment on page 5, beginning in line 3 and ending in line 12.

Mr. JENNER. On this question I ask for the yeas and nays.

Mr. RUSSELL. Mr. President, I wish to make a brief statement in order that the record in respect to this issue may be clarified.

The Senator from Arizona [Mr. HAYDEN] on yesterday voiced a suspicion that all the activities of the 34 American petitioners in Africa, who are before the Senate at this moment, were illegal. He based it, as he stated, upon the fact that no answer had been made to a request by the American consul general at Casablanca for a report from the American Trade Association.

Mr. President, I cannot vouch for the authenticity of the matter which was handed me as I came into the Senate Chamber today, but I think it could be certainly depended upon as much as a mere suspicion held by the Senator from Arizona growing out of what he considered the failure of the record taken before the Appropriations Committee to disclose all the details as to these activities. I hold in my hand what purports to be a carbon copy of a letter addressed to the American Consul General at Casablanca under date of May 27, 1949, which is as follows:

DEAR SIR: Enclosed is a report of imports by members of this association during 1946, 1947, and 1948, as requested in your letter of 19 May.

We have attached a membership list as of this date, and have shown which of these listed are represented in the above report. We regret that the figures are incomplete. A number of our members are absent from Casablanca, some of them in the United States, and their representatives are not in a position to give us the wanted information. Others have been engaged chiefly in transport or construction rather than import and several are too recently established here to be included in the report.

We fully appreciate the importance of statistics of this kind, both to the consulate in planning and to ourselves as participating in future allocations. The figures given are as nearly complete as was possible on short notice.

Attached is a list of the names of the American citizens who are members of this American Trade Association.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. Yes.

Mr. KILGORE. Is that a list of those who furnished the figures, or is it merely a list of those who are members of the association?

Mr. RUSSELL. It lists the members of the association, with an asterisk opposite those who are not represented in the financial report.

Mr. President, I ask unanimous consent to have the list printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF MEMBERS OF THE AMERICAN TRADE
ASSOCIATION OF MOROCCO

James Abisror, Isaac Abitbol, Herbert Abrahms,¹ H. Akima,¹ Lee Benson, Bendahan, Victor Cohen, Robert Deal, F. H. Frisher Adolph Fromer,¹ Leopold Greenburg, Julius Gerschowitz, Nathan Helfer, Robert R. Harper, Carl B. Humphrey, Kurt Klein, Victor Kahill, Kleinfinger, Willy Laudon,¹ Irving Levy,¹ Robert McDonald,¹ Leland McAlary,¹ Albert Mevi,¹ Clarence C. Nelson, Jerome S. Nusbaum, Peter G. Peters,¹ Maurice R. Parent, John B. Patterson, Gene Rettig, Robert E. Rhodes Arthur Russel, Edwin Sendro, G. Gus Stratton, Edward Toledano,¹ Joseph Weckerle, Alexander N. Vardas.¹

I was further advised by the gentleman who stopped me at the elevator today that the report which was submitted was accepted by the consulate, that there had been no further correspondence from the consulate, and that so far as these American citizens knew, there was nothing in the report which was questioned until the statement was made on the floor by the Senator from Arizona yesterday. I vouch for none of those statements. I place them before the Senate for what they may be worth.

The Senator from Arizona read from a magazine article which was written by some American GI who had been in business in that area. I am sure the Senate would not convict all of these citizens on any such statement as the Senator from Arizona read. He talked about the fact that American GIs had established a taste for chewing gum and Coca-Cola in north Africa, as though some terrible crime had been committed by our troops. If that be a sin, we have contaminated the entire face of the earth. I can say for his benefit that it was my privilege to go around the world in 1943, and visit every area where American soldiers were stationed. There are Coca-Cola bottling plants all over the world. Children who know only three or four words of English ask for chewing gum or a chocolate bar. They had previously not known anything about such things. But with the spread of the desire for those so-called luxuries all over the world, today I say with pardonable pride—because Coca-Cola origi-

¹ Not represented in financial report.

nated in my State, as most good things financially originate down there and soon get into other hands—that there are now Coca-Cola bottling plants in Cairo, Egypt, in Karachi, India, and in Calcutta. Coca-Cola is found even in the province of Chabua, where there is no real city. Chewing gum, chocolate bars, and cigarettes likewise reach those remote areas. They are symbols of American civilization which seem to appeal to people who reside everywhere our troops have been.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HAYDEN. Does the Senator consider that exportation from the United States and importation into the European countries with which we are dealing of Coca-Cola, chewing gum, and candy bars promotes their recovery?

Mr. RUSSELL. I do not know. I do know that we have placed emphasis on tobacco going to Germany, on the theory that it would help Germany rehabilitate its economy to afford tobacco to those who work. I do know that there are people in the United States who would think that they were denied an essential of life if they did not have chewing gum. As a matter of fact, some Members of this distinguished body on occasion use chewing gum and enjoy it. Whether it helps them or not, or whether it expedites the business of the Senate, I could not say. But I do know that tobacco, at least, has been stamped as essential to a recovery program.

In this statement, for which I do not vouch, reference is made to the cigarette and candy business. This statement is made:

They talk about chewing gum and Coca-Cola. I will admit that they are not necessary, but in 1948, when a few hundred thousand dollars' worth of gum and Coca-Cola was available, the little native boys, who need nothing, brought in far more aromatic herbs, palm leaves, and camel's hair than they bring in when they have nothing to spend their money for. This is evidenced by the fact that exports of articles depending on native trade were raised considerably in 1948.

It is this gentleman's view that the little boys bring in more of the exports which bring dollars to Morocco—and the dollar is valuable anywhere in the world—if chewing gum and Coca-Cola are available, thereby helping export trade.

I do not vouch for that statement, but I can readily understand it. I know that an American boy will clean up the grounds, police the yard, and cut the grass for the promise of chewing gum; so I can understand the Moroccan boy making a greater contribution to the sum total of exports of that nation, and thereby increasing the wealth of that nation, by reason of the fact that chewing gum and Coca-Cola are available. I am not insisting that they are necessary. I say that that is not the sole issue here.

I listened to the argument of the distinguished Senator from Michigan [Mr. VANDENBERG], in which he stated that the penalty which was sought by this amendment far exceeded any crime which may have been committed. There are two

ways of looking at that question. If we are to assume that a Frenchman is entitled to the same consideration at the hands of the American Congress as is an American citizen, the Senator from Michigan is correct; but I see a difference. What we are giving to France is a sheer bounty. Our obligation to American citizens anywhere in the world is a moral duty. I insist that there is a difference between our responsibility to France and our responsibility to American citizens. I believe that France, as the recipient of our bounty, has some obligation to see that we are permitted to discharge our duty to American citizens who at the present time are being discriminated against and penalized by virtue of unilateral violation of a treaty.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield with trepidation to one so expert in international affairs.

Mr. LODGE. The Senator need have no trepidation about yielding to me. I am not an expert on international affairs or anything else. However, I understood that the argument was made that the reason why this amendment was unwise was that it permitted sending into France American luxury goods of a character which the Marshall plan was not designed to support, and that it was therefore placing an unfair burden on the American taxpayer to finance sending into France American luxury goods which are not justified under the terms of a program which the Senator very rightly described as a bounty.

Mr. RUSSELL. These imports are not made under the terms of the ECA Act. This is the last remnant of American private business in Morocco. I am not arguing that we should send chewing gum and Coca-Cola as ECA aid. This is a question of whether or not private American citizens are entitled to do business in those commodities if they so desire.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FLANDERS. I wonder if the Senator from Georgia feels sure that he is right in describing our ECA program so far as the French are concerned as a bounty. If it is a question of bounty, we have no business to set up the ECA.

Mr. RUSSELL. Mr. President, I do not yield for that purpose. I have the floor. I do not propose to go back and debate the entire merits of the European economic program. If we did not think we would get some benefits from it, we would not have gone into it. However, I say that our primary responsibility is to the American people.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KILGORE. To my mind, the theory of the ECA program, and the only reason I have ever voted for it, is that it was designed to make up the deficit in dollar exchange in order that their recovery program might go on. By that I mean the difference between the dollars they could obtain from trade and the dollars which they needed. If the

dollars which they obtain from trade are spent on luxuries, naturally that imposes a greater burden on the ECA program.

Yesterday we noted in the press that the British complained that they needed an extra \$1,500,000,000 to balance their dollar budget. I do not know whether that statement comes from the same source or not, but if dollars are being used for the purchase of luxury products, and if by our actions we are precluding a foreign nation from policing its own economy under a restricted economic system, I think then we are in a rather bad light.

Mr. RUSSELL. I stated yesterday that if any American citizen held any improper privilege under this treaty it was the duty of the State Department to renegotiate it at once. But so long as these rights exist, and so long as they are being flagrantly violated, we have a responsibility to American citizens.

This is not altogether a question of luxuries. I cannot vouch for this statement, but I think it is as authoritative as any of the statements which have been made here. The question does not arise in connection with purely luxury goods. These Americans insist that under the treaty they are entitled to import luxury goods. But the question did not become acute until they were denied licenses for the importation of goods of the same kind and character as other countries were permitted to import into Morocco. That was when they came to the Congress. It was not a question of luxury goods. They insisted on their rights, but they did not complain bitterly. However, when they saw their applications for licenses to import goods denied, and similar goods being imported by other countries which did not even have treaties carrying the most-favored-nation clause, as we did, they then complained. If the facts are as stated, I believe that they had every right and justification to complain, and that we should listen to them as American citizens.

Mr. DULLES. Mr. President, will the Senator yield?

Mr. RUSSELL. Mr. President, my trepidation increases, but I yield to the distinguished Senator from New York. [Laughter.]

Mr. DULLES. The Senator from Georgia has addressed himself to the matter, so far, as if the only justification for adoption of the amendment were the particular case involving Morocco. In order that the Senate may have a full awareness of what is proposed to be done in this case, I should like to ask the distinguished Senator from Georgia whether he is satisfied that the Moroccan case is the only case of treaty violation in the recipient countries, or whether it may also be found that there are many other treaty violations. For example, is the Senator from Georgia satisfied that Great Britain is carrying out the Bretton Woods agreements; and, if she is not, is it the view of the Senator from Georgia that this amendment should cut off aid to Britain in the form of ECA funds?

Mr. RUSSELL. Mr. President, I regret that I cannot embark upon a de-

tailed discussion of that situation. I do not know how the amendment would apply to the Bretton Woods Agreement. Certainly I did not have it in mind, because I did not know of any other violation—none had been brought to my attention—which denied treaty rights to an individual American citizen, particularly to one who had fought to liberate the country which now is attempting to discriminate against him. But if that is occurring elsewhere, I shall certainly do all within my power to see that any American citizen affected receives his rights under the treaty being violated by a foreign power.

I cannot say to the Senator from New York, who is much more familiar than I with the various ramifications of the multitude of treaties which have been signed during the years, whether other cases to which the amendment would apply now exist; but certainly this is one case of a violation which has been brought to my attention and I am trying to correct the injustice in this case. The State Department confesses that American citizens were being unfairly penalized. The ECA Administrator said they were being denied some of their rights. So I am seizing the only recourse available to me as a Member of the Congress to see to it, so far as I am able to do so, that American citizens are protected in their rights, wherever they may be.

Mr. DULLES. Mr. President, I refer the Senator from Georgia to the provision of the proposed amendment which says:

That no part of the funds herein appropriated * * * shall * * * be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States.

Since it is not known what the scope of that provision is—whether it applies only to Morocco, or whether it also applies to Great Britain, France, and so forth—does the Senator believe that, in view of such apparent ignorance, the Senate should adopt this amendment?

Mr. RUSSELL. In my judgment the language of the amendment should apply to any country that is violating a sacred treaty with the Government of the United States, whether that country be Great Britain, France, or Morocco. I am not willing to reward any country for violating an agreement we entered into in good faith and scrupulously observe.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. What is wrong with that?

Mr. RUSSELL. I cannot see anything wrong with it.

Mr. CHAVEZ. If any nation violates a treaty, why should we sit still and say nothing about it, while it is insisted, even in this body, that we keep the record straight and act in good faith in connection with what we ourselves have offered to do.

The only reason we have this bill before us is because the Congress has so ordered, and we are supposed to keep the faith. Of course, it is our purpose to keep the faith. But whether the

country involved be Great Britain, Morocco, Spain, Mexico, or any other country, the countries should keep faith; and if they do not, I do not see anything wrong in standing up for the United States.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McCLELLAN. Is it not time for those of us in the Senate of the United States to begin to do something about requiring other countries to keep their obligations to us? We legislate on the basis of representations to the effect that if this legislation is passed, we shall require the participating countries to meet certain conditions and obligations. However, after we go along with the program for a year or so, we find they are not meeting those obligations. Yet we are expected to keep pouring out our money.

I feel that as we are legislating on these matters, certainly as we come to appropriate the money we should have some accounting as to performance on that part of those who have been the beneficiaries of the assistance we give at our taxpayers' expense.

Mr. RUSSELL. Important as it is to us to maintain the integrity of the nations over the earth which have not yet been swallowed by communism, yet I cannot accept the proposition that all responsibility is purely unilateral, that all responsibility is on the United States of America, and none rests upon those who have also assumed responsibilities under treaties.

Mr. President, in my judgment, if the Senate adopts this amendment it will have done no violence. I would be of the opinion—without being an expert—that the matter affecting these 34 American citizens in Morocco probably would be cleared up within 24 hours after it was known that the Senate of the United States had expressed a determination to protect the rights of our people, wherever they may be. An American businessman in Morocco, with his rights as an American citizen, has the most glorious title with which any living human being can be endowed today. Paul once boasted of being a citizen of ancient Rome, but how much better it is to be a citizen of the United States—unless the citizens rights happen to come in conflict with some illegal order issued by some nation which we are afraid will not accept its share of aid from us under the ECA program.

These men have been in business. Some of them may have been in the black market. I will not say that they have or that they have not, although I have not the strong suspicions on that score the Senator who has spoken on that subject has. But I know they have certain rights under this treaty, and those rights have been denied them. In my opinion they will be restored very shortly after the Senate takes favorable action upon this amendment.

These American businessmen in Morocco say—that when they request a license to import it is denied them; yet they see in the market place, in the hands of their competitors, goods of the same

kind and character, which have been imported by those who do not even have the treaty rights with which those Americans are endowed.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GILLETTE. I was very much interested in the colloquy between the able Senator from Georgia and the able Senator from New York. When the Senator from New York suggested that the proposed amendment should be considered with extreme care because it might apply to a violator of some other treaty, did the Senator from Georgia have in his mind any situation in which any country, a signatory to a treaty with the United States, is entitled to specific preferred status if it is a violator of a treaty?

Mr. RUSSELL. I did not, and I said that idea did not appeal to me, and that although this is the only instance which has been brought to my attention, yet in our service here we are constantly faced with the duty of voting for certain proposed legislation in order that we may live up to our obligations. As a citizen of the United States, I desire that our country live up to the letter and spirit of every treaty the United States has with any nation on earth. But I insist that the other nations of the earth likewise give evidence of some good faith in dealing with us and with their obligations under the same treaties.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, beginning in line 3.

Mr. MYERS. Mr. President, I shall be frank in stating that I was very much surprised at the outcome of the vote of this body when an appeal was taken from the Chair's ruling on the point of order on the Morocco amendment. I was surprised for the reason that this amendment is a clear violation of the rules. I expected that the Members of this body would again uphold the integrity of the Senate rules as they had done on two previous occasions during this debate.

I am confident that this amendment will be rejected on its merits when we fully comprehend its true nature and its undesirable results.

I oppose this amendment on two grounds. First of all, the interests of the American Trade Association of Morocco should not be protected by an act of Congress. Second, the amendment will create a huge administrative operation to be performed by the State Department which might very well seriously jeopardize the ECA program.

Let us first consider the amendment as it relates to the American Trade Association of Morocco. It is perfectly clear to all that this amendment is primarily designed for the benefit of this association. This organization is composed of around 30 American businessmen, most of whom are ex-servicemen who remained in Morocco at the conclusion of the war.

Most American business interests of long standing, which are operating in Morocco, are not members of the asso-

ciation. Such companies are the Socony Vacuum Oil Co., the Armstrong Cork Co., the International Business Machine Co., and numerous others.

The association, which is coming to Congress for assistance, represents a minor part of American business in Morocco, although I agree with the Senator from Georgia American business, large or small, of course should be protected, wherever it may be found in the world. According to their own statement, their total imports from the United States in 1948 amounted to slightly more than \$5,000,000, although I recognize this figure may be incomplete. It seems to me we would be making a serious mistake if we should encumber the whole ECA program with a damaging provision intended for the benefit of a small group of people whose interests can better be protected through the offices of the State Department.

It is positively clear that the interests of the association are not consistent with the object of the European recovery. As proof of this, I offer the statement of Mr. Rodes, himself, a man who has been around Washington for some time interesting Members of Congress in this amendment, a spokesman for this group, when he testified before the House Appropriations Committee. At that time, Mr. Rodes stated:

Mr. Hoffman told me that his mandate was to build up European recovery and that Congress had not given him a mandate to build up American recovery. I think his point is very well taken. What I am here for is to try to get that mandate changed, if possible.

I think it is significant that the spokesman for this group, by his own admission, places the selfish interests of these businessmen ahead of European recovery. It is hard to escape from the conclusion that the Senate would be endorsing such a position if it adopted this amendment.

Let us for a moment consider the actual problem confronted by this business group. They are a group of American citizens who are primarily objecting to the application to them of import controls—controls which are necessary to build up dollar exchange in France. They insist these import controls should not be applied to them; that they should be permitted to import whatever they wish without restriction, regardless of the effect of such a policy on the dollar position of France. That this is a request for preferred treatment can hardly be denied. That this position is completely inconsistent with the European recovery program is beyond any doubt. If we are in favor of the objectives of the Marshall plan, I do not see how we can consistently vote for an amendment which is directly in opposition to the objectives of that program.

This group of businessmen should not come to Congress for relief. The fact that they come to Congress bears out the fact that they want preferred treatment. If their only interest is the settling of legitimate grievances, they can obtain this through the offices of the State Department. This is the traditional func-

tion of American consulates and embassies around the world.

I expect this observation may be challenged by the argument that these persons have already asked for help from the American consulate in Morocco to no avail. In this regard I should like to call the Senate's attention to the fact that on June 10 the State Department negotiated a tentative agreement with France under which our Government gave assent to the application of legitimate import restrictions, in return for which all illegitimate and discriminatory treatment of American business interests in Morocco were to be corrected. I am informed that since this agreement has been entered into the consulate at Morocco has not received a single complaint from the American businessmen who are here asking for special treatment.

I should like to point out also that at this very time American representatives are engaged with representatives of France in ironing out legitimate complaints which have been made against the French treatment of American businessmen. It would be difficult to defend action by Congress which would take these matters directly out of the hands of our official representatives in France and in place of mutual agreement substitute the arbitrary decisions of Congress.

Finally, in regard to these few Americans in Morocco, I should like to make this observation. The adoption of the amendment does not at all assure to them the privileges they hope to acquire under its provisions. The amendment withholds the use of counterpart funds only in those cases where a treaty has been violated. Legitimate import controls can be placed upon these business interests without any violation of our treaties with Morocco. Under the terms of those treaties Americans can be treated on an equal basis, once the assent of this Government has been obtained. I emphasize this fact simply to demonstrate the un wisdom and meaninglessness of the amendment.

There is one point which I want to make positively clear to every Member of this body and to the people of the United States, too. Opposition to the amendment does not in any way indicate a disregard on the part of those who oppose it, for the sanctity of the treaties which this Nation has entered into. In fact, the sanctity of our treaty obligations would be seriously jeopardized by adoption of the amendment now under consideration. Let me make this clear. A substantial number of treaties which this Nation has entered into contain specific sanctions which are to become operative in the event of a violation by either party. If we are to respect these treaties, we must not interfere with their intended operation. Adoption of this proposal places a new sanction upon countries which violate these treaties.

In fact, we of the Senate are unilaterally rewriting many of the treaties to which the United States is a party. We are, in fact, saying to countries around the world: "Hereafter, the remedies provided for in our treaty with you

are not sufficient. We are going to apply against you a larger penalty even though no mention of this penalty was made when we negotiated this treaty with you."

We are clearly changing the terms of treaties entered into in good faith by all the parties concerned, whether 100 years ago or 2 years ago.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MYERS. I am happy to yield.

Mr. RUSSELL. How can we change the terms of a treaty, if the amendment does not take effect except in case of violation by the other party? We are not changing the terms of the treaty.

Mr. MYERS. We are writing in a new penalty—a new sanction. We in the Senate are rewriting the treaty, and we are determining in the Senate what the penalty or sanction may be, although it may never have been contemplated when the treaty was written.

Mr. RUSSELL. In my judgment, it is merely an effort to enforce a treaty, rather than to write new terms.

Mr. MYERS. There may be differences of opinion, but I certainly cannot subscribe to that view. I believe we are definitely, by this action, rewriting a treaty which we solemnly entered into with a foreign nation.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MYERS. I shall be happy to yield.

Mr. CHAVEZ. As I recall, in the last session of Congress the Senate did that very thing. Of course, it was not a European ally which was involved at that time; it was the little Republic of Cuba. The Senate voted for an amendment in a sugar bill which would place a penalty on the Republic of Cuba in a matter which involved the operations of a treaty. But I do not recall that more than a few Senators rose in this body to suggest and protest that we were changing a treaty through the medium of the enactment of a bill.

Mr. MYERS. Did the Senator from New Mexico make that observation at that time?

Mr. CHAVEZ. I certainly did, and even the good Senator from Michigan [Mr. VANDENBERG] voted against it. But I do not recall the Senator from Pennsylvania having voted against it.

Mr. MYERS. Then the Senator should be consistent. If he had that view at that time, I should think he would maintain the same view at this time.

Mr. CHAVEZ. The situations are entirely different. Here we are dealing with a treaty. In those days we were dealing with a sugar bill, which had nothing to do with treaty business.

Mr. MYERS. In my opinion, if the Senate should take the action suggested, we would be clearly changing the terms of treaties entered into in good faith by all the parties concerned.

I emphasize that this amendment is a genuine threat to the sanctity of our treaty obligations.

Our continuing good faith in our treaty obligations is threatened still further by this amendment, since it requires that sanctions be applied immediately

upon a violation, although the violation may be technical and although there may be a legitimate difference of opinion as to whether there is actually a violation.

When nations solemnly entered into treaty obligations with the United States, they did not intend that this country should accept full responsibility for making the ultimate determination as to whether there was a violation. We are hardly keeping good faith with these countries if we apply to them a hard penalty when we decide that they have violated a treaty provision, although they may conscientiously believe they are abiding fully by the terms of the treaty.

I submit that the sanctity of the treaties of the United States is an issue in this debate. I wish to oppose this amendment also for the reason that it would lay a serious burden upon the State Department and the ECA. It would be necessary to maintain a continuous watchfulness over all our treaties with the participating countries in order to determine when any one of them is violated. If the amendment is to be carried out, this watchfulness must be maintained constantly. The State Department could be criticized if it made a survey on a periodic basis—for example, every 6 months. In order that this amendment may be complied with, it is necessary that we determine immediately when a treaty is violated. This is an impossible task.

This amendment would seriously hamper the recovery program. Well-considered plans for use of counterpart funds in these countries would be interrupted on a moment's notice. It would become practically impossible for these countries to make long-term arrangements for their internal recovery. They would never know from day to day whether counterpart funds would be available. For a simple technical violation of one of hundreds of treaties which these nations have with the United States would result in the withdrawal of counterpart funds.

When we look at this amendment in its proper light, it appears to approach the level of great danger to the entire ECA program.

In conclusion, I should like to say that the ill effects which will come from this amendment would be a high price to pay for the protection of a small group of American businessmen who are looking for preferred treatment.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MYERS. I yield the floor.

Mr. CHAVEZ. Mr. President, I should like to say a few words on behalf of those few Americans who were left in Morocco after the war.

It seems we are apt to forget very soon. If it had not been for such persons as the 47 who seem to be in bad grace in certain quarters, if it had not been for those Americans and those who will never come back to America, France would not be the beneficiary of ECA funds.

I am personally becoming a little resentful of the idea that we should not stand up for men who were responsible for driving our enemy out of Africa,

fighting for our country, and who were responsible for making it possible for us to have a consul in Morocco. They should receive the attention of those who still believe it is not a crime to defend American citizens anywhere.

Times change. It may be that a citizen of France or of Russia is entitled to more consideration from Members of the United States Senate than are American citizens, but I do not believe that idea prevails among the American people. If it were a matter of giving them special privileges, I would say no; but to deprive them of the right, to which they are entitled, merely because the State Department says we must not in any way interfere with the sensibilities of the countries which may belong to the ECA group, is another question, and I say it is time for the Senate to do something about it. If ECA is the law, and if we are to act on that law and appropriate money under it, why can we not, by the same token, protect an American citizen by another law, a treaty which France itself made with this Nation many years ago?

Let us not forget that the ECA bill could not be passed by the United States Senate if it had not been for those same boys whom some of us are trying to protect. They were chasing the enemy from North Africa, and in that great effort many of them were killed by Germans and by Italians who are now the beneficiaries of the same ECA law. But there are objections, and we must single out those 47 in Morocco. They earned the right to stay there, because they were ready to sacrifice their very lives. They probably did not want to go there in the first instance, but the Senate and the House of Representatives sent them there. I maintain that just as we had the right to say to them, "You go to north Africa and chase the Germans and Italians out", we have the right to let them stay there if they wish to remain. We would be in a rather sad state if we should fail to say, "Even if it is against France they should be protected."

The PRESIDING OFFICER (Mr. HILL in the chair). The question is on agreeing to the amendment of the committee on page 5, beginning in line 3.

Mr. RUSSELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MYERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Fulbright	Kerr
Brewster	George	Kilgore
Bricker	Gillette	Knowland
Butler	Graham	Langer
Byrd	Gurney	Lodge
Cain	Hayden	Long
Chapman	Hendrickson	Lucas
Chavez	Hill	McCarran
Connally	Hoey	McClellan
Cordon	Holland	McFarland
Donnell	Humphrey	McKellar
Downey	Hunt	McMahon
Dulles	Ives	Magnuson
Eastland	Jenner	Malone
Ecton	Johnson, Colo.	Martin
Ellender	Johnson, Tex.	Maybank
Ferguson	Johnston, S. C.	Miller
Flanders	Kefauver	Millikin
Frear	Kem	Morse

Mundt	Smith, Maine	Thye
Myers	Smith, N. J.	Tydings
Neely	Sparkman	Vandenberg
O'Connor	Stennis	Watkins
O'Mahoney	Taft	Wherry
Robertson	Taylor	Williams
Russell	Thomas, Okla.	Young
Saltonstall	Thomas, Utah	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment of the committee on page 5, beginning in line 3, which the clerk will state.

The amendment was, on page 5, line 3, after the date "1950", to insert a colon and the following proviso: "Provided further, That no part of the funds herein appropriated with respect to which local currencies are deposited as provided in section 115(b) (6) of the Economic Cooperation Act of 1948, as amended, shall, after deposit in local currency accounts as a result of assistance furnished, be made available for expenditure by any recipient country so long as such country (1) fails to comply with any treaty with the United States, or (2) causes or permits any area dependent upon it (as designated in the Bilateral Agreements) to fail to comply with any such treaty."

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

I announce that the Senator from Florida [Mr. PEPPER] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Indiana would vote "yea."

If present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN], who is absent by leave of the Senate, is paired with the Senator from New Hampshire [Mr. TOBEY], who is absent also by leave of the Senate. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Vermont [Mr. AIKEN] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate and are paired on this vote. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay," and the Senator from Iowa [Mr. HICKENLOOPER] would vote "yea."

The Senator from Kansas [Mr. REED] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Wisconsin [Mr. McARTHUR], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Kansas [Mr. SCHOEPEL] is absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent and is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

The result was announced—yeas 34, nays 46, as follows:

YEAS—34

Brewster	Gillette	McKellar
Bricker	Hoey	Malone
Butler	Holland	Martin
Cain	Jenner	Maybank
Chapman	Johnson, Colo.	Russell
Chavez	Johnston, S. C.	Thomas, Okla.
Cordon	Kem	Watkins
Eastland	Langer	Wherry
Ecton	Long	Williams
Ellender	McCarran	Young
Frear	McClellan	
George	McFarland	

NAYS—46

Anderson	Ives	O'Connor
Byrd	Johnson, Tex.	O'Mahoney
Connally	Kefauver	Robertson
Donnell	Kerr	Saltonstall
Downey	Kilgore	Smith, Maine
Dulles	Knowland	Smith, N. J.
Ferguson	Lodge	Sparkman
Flanders	Lucas	Stennis
Fulbright	McMahon	Taft
Graham	Magnuson	Taylor
Gurney	Miller	Thomas, Utah
Hayden	Millikin	Thye
Hendrickson	Morse	Tydings
Hill	Mundt	Vandenberg
Humphrey	Myers	
Hunt	Neely	

NOT VOTING—16

Alken	Hickenlooper	Schoeppel
Baldwin	McCarthy	Tobey
Bridges	McGrath	Wiley
Capehart	Murray	Withers
Douglas	Pepper	
Green	Reed	

So the committee amendment was rejected.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, under the subhead "Assistance to Greece and Turkey," on page 5, line 17, after the word "immediately", to strike out "\$50,000,000" and insert "\$45,000,000."

UTILIZATION OF FARM PRODUCTS

Mr. GILLETTE. Mr. President, I do not rise to object to this particular amendment. I rise for the purpose of discussing for a few minutes two letters I have received from Mr. Hoffman of the ECA. One letter pertains particularly to the pending amendment; the other pertains to the bill which is under consideration.

Mr. President, through the appointment by the distinguished chairman of the Senate Committee on Agriculture and Forestry, there was created from that committee a subcommittee of five members, composed of the Senator from Florida [Mr. HOLLAND], the Senator from North Dakota [Mr. YOUNG], the Senator from Vermont [Mr. AIKEN], the Senator from South Carolina [Mr. HOEY], and the present speaker. This subcommittee was charged with the duty of making studies in the entire field of the prudent utilization of farm products, and in the course of their duties were immediately

studying the field of distribution and marketing of farm crops, foreign and domestic. In my capacity as chairman, and on instructions of the subcommittee, I addressed two letters to Mr. Hoffman.

The first letter to Mr. Hoffman was concerned with an inquiry into the purchase by the United Kingdom of certain stocks of alcohol and molasses in different parts of the world and the reason for the use of ECA funds for this particular purpose. I was rather surprised to learn from Mr. Hoffman's reply that he was unable to advise us as to the stocks of molasses and alcohol owned by the United Kingdom. The Administrator, of course, under the act from which he receives his authority, is charged with the duty of reviewing and appraising the requirements of the participating countries for assistance under the terms of the title. But in his reply Mr. Hoffman stated that he was unable to give us information as to which of these supplies the United Kingdom had an inventory. He was also unable to state whether the United Kingdom Central Statistical Office had data and statistics with reference to supplies within the United Kingdom or owned outside the United Kingdom.

Another thing which rather surprised us was the statement in his letter with reference to the underwriting by this country of purchases made by the United Kingdom. I quote one brief paragraph from his letter, as follows:

In regard to plans for purchase of alcohol and inedible molasses during the current fiscal year, we are advised that the United Kingdom has recently committed itself to the purchase of 70,000,000 gallons of molasses from Cuba. This purchase was made without promise that ECA funds would be available to cover the cost of such purchase. It is understood, however, that if no increase in price of Cuban molasses to American purchasers develops as a result of this transaction ECA will give consideration to reimbursing United Kingdom on this purchase.

Again, I ask, How can the Administrator possibly agree in advance to underwrite a deal of this kind when he has no information as to the stock possessed? He does not know the contract under which the goods were purchased. He does not know the price paid. Because of the fact that I know that the entire membership of the Senate would be interested in this matter, as is the committee which I have the honor to represent, I ask that Mr. Hoffman's letter on this subject be made a part of the RECORD at this point in connection with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., July 27, 1949.
The Honorable GUY M. GILLETTE,
United States Senate.

DEAR SENATOR GILLETTE: This is in reply to your letter of July 13, 1949, regarding the purchase of molasses and alcohol by the United Kingdom and raising certain questions regarding stocks and costs of production.

Since the beginning of the program ECA has authorized the purchase of inedible molasses by the United Kingdom from Cuba and the Philippines to the total value of \$18,800,000. Further, ECA has authorized

for purchase by the United Kingdom industrial alcohol to the value of \$10,000,000 of which approximately \$8,000,000 was used for purchases in the United States.

I regret that we are unable to advise you fully regarding the stocks of molasses and alcohol owned by the United Kingdom on July 1, 1949. However, the Monthly Digest of Statistics of the Central Statistical Office of the United Kingdom reports stocks of black strap molasses as of April 30, 1949, at approximately 53,000,000 gallons. It is not clear whether certain smaller stocks held off shore are included in this amount. Annual requirements for the United Kingdom earlier have been estimated at between 150 and 200 million gallons.

In regard to plans for purchase of alcohol and inedible molasses during the current fiscal year, we are advised that the United Kingdom has recently committed itself to the purchase of 70,000,000 gallons of molasses from Cuba. This purchase was made without promise that ECA funds would be available to cover the cost of such purchase. It is understood, however, that if no increase in price of Cuban molasses to American purchasers develops as a result of this transaction, ECA will give consideration to reimbursing United Kingdom on this purchase. We do not expect that any additional amounts of molasses will be required by the United Kingdom for consumption during the current fiscal year.

It is believed that fairly substantial amounts of industrial alcohol will be required for procurement in the United States during the current fiscal year. The ECA is not now financing the purchase of industrial alcohol from any source other than the United States.

As you know, we do not have the facilities within the ECA organization to conduct research in costs of production and related involvements. It would not be appropriate, therefore, for us to undertake to advise you whether it would be less or more expensive for industrial alcohol to be processed in our domestic plants and supplied abroad rather than supplying the necessary raw materials.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

SHIPMENT OF FERTILIZER TO GREECE

Mr. GILLETTE. Mr. President, on behalf of the subcommittee I addressed another inquiry to Mr. Hoffman, the ECA Administrator, with reference to shipment of fertilizer to Greece. I should like to incorporate in the RECORD at this point as a part of my remarks his reply to that inquiry. It will be noted from his letter that one broker appears in all dealings with the Greeks, first as agent for the Greek Government and then as agent for the selling company in the United States. I make no allegations as to any impropriety in this, but the record being of outstanding interest, I think the Congress and the public should be apprised of the fact, and I ask that the letter from Mr. Hoffman be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION
ADMINISTRATION,
Washington, D. C., July 26, 1949.
The Honorable GUY M. GILLETTE,
United States Senate.

DEAR SENATOR GILLETTE: This is in reply to your letter of July 14 in which you requested data on the amount of ammonium sulphate currently being shipped to Greece and the prices paid for this material.

For the last half of the 1948 calendar year Greece obtained from the United States 9,756 short tons of ammonium sulphate. This material was handled under Government procurement by the Bureau of Federal Supply. The average price paid for this material was \$68.06 per short ton, FAS basis. During the first half of 1949 Greece received 9,064 short tons of ammonium sulphate from the United States. For the procurement of this material the Greek Government appointed the Walsen Consolidated Mercantile Co. of New York to act as their agent. They were to receive \$1 per ton for purchasing the material from United States manufacturers and making all arrangements for shipment to Greece, including the ocean transportation. They purchased this tonnage as follows:

1. United States Steel, byproduct ammonium sulphate, 1,250 tons at \$52 per short ton bulk f. o. b. plant.
2. Dupont, mostly synthetic ammonium sulphate, 1,800 tons at \$45 per short ton bulk f. o. b. plant.
3. Nitrogen Products Co., synthetic ammonium sulphate, 2,514 tons at \$64 per short at \$64 per short ton, f. a. s., six-ply paper
4. Phillips Chemical Co., 3,500 short tons at \$64 per short ton, f. a. s., 6-ply paper bags.

All of these purchases from the United States during the fiscal year 1948-49 were made when nitrogen was under allocation and materials had to be obtained from different companies according to the Priority Assistance Regulations of the Department of Commerce, according to the provisions of Public Law 606.

The current nitrogen export program for Greece providing for shipments after July 1, 1949 was included in a procurement authorization issued on June 13 for the amount of \$400,000. This was increased to \$900,000 on June 30. This amount of funds has therefore been made available to Greece to procure nitrogenous fertilizers in the United States. The Agricultural Bank of Greece has been acting as agent for the Greek Government in procuring ammonium sulphate under this authorization. We have received information that the Agricultural Bank of Greece has contracted with the Walsen Consolidated Merchantile Co. for the purchase of 12,200 short tons of synthetic ammonium sulphate at a price of \$73.40 per short ton C&F Greek port. This material is to be shipped in new jute bags approximately 100 pounds each. The Walsen Consolidated Merchantile Co. was the agent for the Phillips Chemical Co., with a plant at Houston, Tex. This quantity of ammonium sulphate is to be supplied by the Phillips Chemical Co.

According to our information there were no commissions or brokerage fees included over and above the cost price of this material since the Walsen Consolidated Merchantile Co. was the agent for the Phillips Chemical Co. and the quoted price of the ammonium sulphate included all of the commission. It is our understanding that the Agricultural Bank of Greece received bids from other United States exporters on this ammonium sulphate and that the final price was negotiated below the bids received between the Agricultural Bank of Greece and the Walsen Consolidated Merchantile Co. Since no payment has been made on shipment of any of this material in the current program, we do not have the final cost figures. These figures, however, will be available after the shipments have been made and the complete documentation is presented to ECA for payment.

We will be glad to furnish additional information insofar as it is available to us.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

DISPOSITION OF INDUSTRIAL ALCOHOL PLANTS
OWNED BY THE FEDERAL GOVERNMENT

Mr. GILLETTE. Mr. President, a subcommittee of the Committee on Agriculture and Forestry has had under study the disposition of three industrial alcohol plants owned by the Federal Government, located at Omaha, Nebr., Kansas City, Mo., and Muscatine, Iowa. Many Members of the Senate will remember that during the early war years these plants were established by the Government for the purpose of manufacturing alcohol from agricultural sources, to be transmuted into synthetic rubber for use in the war effort and our industrial economy.

During the Eightieth Congress these plants were transferred to the Department of Agriculture by Public Law 890, which transferred them to the jurisdiction and control of the Department.

This act provided, in section 3:

Whenever the Secretary finds that the operation of any plant or plants as provided in this act is no longer necessary or desirable he shall report such fact to Congress with his recommendations for the disposition thereof.

Our subcommittee heard the representatives of the Department of Agriculture with reference to these plants. They expressed the opinion that they could no longer be operated economically, and they suggested that they were coming to Congress for direction as to their disposition. They advised our subcommittee that before they sent the message to Congress they would report to us, and we in turn could report to the full committee.

However, on the 30th of June the Congress enacted Public Law No. 152, which removes the obligation resting on the Secretary of Agriculture by Public Law 890, to secure further instructions from the Congress on the disposition of these plants. At least that was the construction placed on the provision of the new law by the legal department of the Department of Agriculture.

In the meantime the present speaker had introduced a bill, which is before the Committee on Agriculture and Forestry, for the purpose of setting up a corporation to handle these plants, but because of the dispute as to whether Public Law 152, passed June 30, superseded the injunction of the law passed last year requiring a report to Congress, we held a meeting yesterday with representatives of the Munitions Board, who advised us that the maintenance of these plants in operating condition was essential to the national defense.

In order to preserve the rights of Congress, yesterday I introduced a bill requiring the Department of Agriculture to hold these plants in a stand-by condition until such time as the Congress can make further disposition of the matter.

Mr. President, I should like now to refer to another subject.

The VICE PRESIDENT. Without objection, the Senator may proceed.

THE FATS AND OILS MARKET

Mr. GILLETTE. Mr. President, in connection with the work of the subcommittee of the Committee on Agriculture

and Forestry to which I have referred, one of the subject matters which we immediately started to investigate was the confused and dangerous condition of the fats and oils market in the United States, which is reacting on all meat and meat products.

Inasmuch as the producers of soap buy the greater part of the tallow and grease produced in the United States by the meat processors and renderers, it became necessary to take testimony from manufacturers of soap and detergents.

We took testimony from representatives of Colgate-Palmolive-Peet Co., and Lever Bros. The hearings are continuing, and no final conclusions have been reached. However, in view of the widespread use of synthetic detergents, commonly class'fied as soaps, I have personally reached the conclusion that the exemption of soap from the Federal Food, Drug, and Cosmetic Act should no longer stand. I am therefore proposing legislation which would place soap under the act, so that other Members of Congress may be giving the matter some thought.

I ask unanimous consent to introduce a bill designed to effectuate this purpose.

There being no objection, the bill (S. 2392) to enlarge the definition of cosmetic contained in the Federal Food, Drug, and Cosmetic Act by removing the exception made in the case of soap, introduced by Mr. GILLETTE, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. WHERRY. Just what reaction will that bill have on fats and oils if it is enacted?

Mr. GILLETTE. From the partial testimony we have received over a series of days of investigation, it has become evident that there have been controls of the fats and oils market, particularly import and export controls, which have reacted disastrously on the domestic market. The soap manufacturers have given us evidence—and very interesting and very full evidence—that the market for fats and oils in the manufacture of soap is to some degree at least being supplanted by the use of synthetic detergents, which, of course, reacts detrimentally to their interests.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. GILLETTE. I yield.

Mr. WHERRY. Has the committee adduced any evidence along the lines of the evidence adduced by the Senate Small Business Committee a year or two ago, that under the licence program licenses were difficult to obtain, even though the supply of fats and oils in the United States had greatly increased?

Mr. GILLETTE. There has already been sufficient evidence before the committee to convince us that we must go into the question deeply.

Mr. WHERRY. Just where is the proposed legislation introduced by the distinguished Senator and other Senators relative to the fats and oils problem, which is a little different phase from

this? Has a standing committee considered it?

Mr. GILLETTE. I presume the Senator refers to the bill which he introduced as a cosponsor with the present speaker.

Mr. WHERRY. That is correct.

Mr. GILLETTE. The bill was referred to the standing committee of the Senate, and it rests in peace there, so far as the present speaker knows.

RELIEF PACKAGES—DISCRIMINATION
AGAINST PRIVATE ENTERPRISE

Mr. KEFAUVER. Mr. President, I wish to discuss a question involving the intent of Congress relative to the private enterprise and nonprofit business of relief packages for the people of the nations of Europe. I should like to make an explanation for the RECORD as to the congressional intent as I see it.

It has been represented to me by representatives of two companies, the Frazier-Morris Co. of New York, and also the American Trading Corp., that the ECA, under and by virtue of the so-called CARE amendment in last year's Appropriation Act and the extension of the ECA Act, has discriminated against private companies engaged in selling relief packages, and in favor of the nonprofit corporation or company CARE.

I believe the discrimination arises in this way: The ECA has authorized the reimbursement to CARE of inland transportation expenses in Britain out of counterpart funds but, on the other hand, it requires the private companies to pay the transportation costs. The private companies, I am advised, have agreed to pass back to the purchasers of relief packages any benefits which may be received by virtue of giving them the same reimbursement which the ECA has authorized out of counterpart funds for CARE.

As I understand section 117 (c) of the ECA Act, no discrimination should occur or be allowed by ECA in favor of CARE, as compared with the treatment received by the private companies. Only two rather small amounts are involved. In the case of one company, I believe the amount involved is \$25,000, or \$35,000 in the case of another one, and \$16,000 in the case of another one. But of course this situation results in a reduction of the number of relief packages which are sent. It means that counterpart funds are in the hands of Britain, although they could be turned over to these companies, by way of reimbursement, and that in turn would enable the companies to reduce the cost of their packages, as they have agreed to do, so that more packages could be sent by the private companies. Not only would that help the American taxpayer and the small businesses in this country which are engaged in this kind of enterprise, but it would also lead to the shipment of a greater number of relief packages abroad, if there were real competition in this field.

It is my interpretation that the ECA should not engage in this discrimination, but should treat both nonprofit companies and private-enterprise companies the same, under this amendment.

I wonder whether that was the intention of the Foreign Relations Committee in the ECA Extension Act, and

also of the Appropriations Committee in connection with the CARE amendment in last year's appropriation. I should like to inquire about that of the Senator.

Mr. McKELLAR. Mr. President, if the Senator from Tennessee is addressing his question to me, let me say that in the original ECA Act it is provided that—

Provided further, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals.

The act approved April 19, 1949, provides as follows, in section 10:

Provided, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals through the mails.

That is the law, and the Administrator apparently has proceeded by it, as he has a right to do.

Mr. KEFAUVER. Mr. President, I appreciate the statement the distinguished Senator has made. As I understand, the only thing provided in that amendment was that an attempt should be made to have uniform rates for transportation across the seas, so as to put the companies on an equal footing.

Mr. McKELLAR. We tried to do that.

Mr. KEFAUVER. But that did not refer to the ECA's reimbursement of CARE for the transportation cost after the package reached England, or wherever it was going.

Mr. McKELLAR. That is true.

Mr. KEFAUVER. I did not observe in the act anything which would give ECA that authority to discriminate against private enterprise companies by means of making reimbursement of transportation charges after the goods had crossed the ocean to one company and not another.

I am very grateful to the Senator from Tennessee for the statement he has made.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared in regard to what I understand to be the factual situation in connection with this controversy, and also my interpretation of the meaning of section 117 (c) of the ECA Act, relative to relief packages.

The PRESIDING OFFICER (Mr. MYERS in the chair). Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF INTENTION RE ECA APPROPRIATION ACT

There has apparently been a misunderstanding on the part of ECA respecting congressional intent in the matter of benefits or subsidies granted under section 117 (c) of the ECA Act. Apparently ECA has assumed from the so-called CARE amendment to

last year's appropriation act and the current ECA Extension Act, that Congress looked with favor upon discrimination by ECA in the use of its own or counterpart funds as between private enterprise and nonprofit business engaged in competition with one another in the shipment abroad of relief packages purchased from them by private individuals in the United States.

The amendment in question had the very opposite purpose. Briefly, all that it was intended to do was to prevent the use of ECA funds as ocean freight subsidies in such a manner as to give private agencies an advantage over CARE which they did not previously have, by erasing an existing competitive advantage which CARE enjoyed because it had been able to obtain lower ocean freight rates than those obtained by private agencies. One cannot read into this amendment any intention to allow the use of Government or counterpart funds to accord to CARE or other nonprofit agencies any benefit or competitive advantage which it did not already enjoy without the use of such funds. Yet this is precisely what ECA has done in the matter of approving reimbursement to CARE by the British out of counterpart funds for inland transportation charges in England incurred between April and December of 1948 while refusing to approve such reimbursement to private agencies on the same terms, even though they undertook to give every assurance that the benefit of such reimbursement would be passed on to future purchasers of their packages.

While it is a small matter in the whole ECA picture, yet this kind of discrimination is significant because such use of Government funds tends to favor or promote a monopoly in the business of shipping relief packages in the hands of one agency. And whether that agency is nonprofit or private enterprise makes no difference in this regard, for it is of the essence of our system and indeed of the working of the ECA mechanism that competition and not monopoly will bring the best results. Moreover, it is my understanding that unless this relief is accorded at least \$35,000, and probably upward of \$100,000, will remain in the British Treasury as counterpart funds instead of being channeled through private agencies into the pockets of American taxpayers in the form of reduced prices of relief packages in this country. The very purpose of section 117 (c) was to relieve the strain on the public purse to whatever extent possible for relief expenditures abroad by encouraging more private relief shipments abroad. With England in its present economic crisis, it is perhaps more important than at any other time to encourage insofar as we can more and more private relief shipments to that country. If the reimbursement in question, already made to CARE, is accorded to private agencies shipping relief parcels, they will be enabled to reduce their prices, and by thus passing the benefits on to American purchasers of these packages encourage the shipment of more relief parcels to Britain out of separate funds. That is the purpose of the following statement of the intention of Congress:

STATEMENT OF INTENTION RE ECA APPROPRIATION ACT

It is the intention of Congress that no part of the funds appropriated by this act shall be used by ECA, either alone or in conjunction with participating countries, to make or enforce any policy or regulation discriminating in the granting of any benefit or subsidy under section 117 (c) of the ECA Act, including reimbursement from counterpart funds or otherwise, between private enterprise and nonprofit agencies engaged in competition in the business of shipping relief packages abroad. It is intended that both types of business shall be accorded equal treatment and that any advantage or benefit

out of United States or counterpart funds accorded to one shall be accorded to the other on the same terms.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. WHERRY. Mr. President, will the Chair inform the Senate just what the amendment is?

The VICE PRESIDENT. It is the amendment on page 5, line 17, reducing the appropriation from \$50,000,000 to \$45,000,000.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment was, under the heading "National Military Establishment—Department of the Army—Civil functions—Government and relief in occupied areas," on page 6, line 9, after the word "including", to strike out "personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation."

Mr. HAYDEN. Mr. President, I have compared this language with that carried in the bill last year. The only difference in the wording is that last year it read: "limitations as may be prescribed by the Secretary of the Army." And now, in this bill, it reads: "limitations as may be prescribed by the head of the department or agency."

Of course, that is due to the reorganization.

Therefore, I suggest that it would be entirely proper to reject the committee amendment.

Mr. WHERRY. Is it the Senator's suggestion that this language should be stricken from the bill?

Mr. HAYDEN. I suggest that the Senate reject the committee amendment. The committee amendment proposes to strike the language from the bill.

The Senator will understand that there is absolutely no law of any kind for this carry-over. We have never had any basic law on this subject. The basic law was written in the appropriation bill, and this language was in the appropriation bill last year. The same language which we had in the bill last year is repeated in this bill.

In this particular paragraph, the only difference is that last year we provided for "limitations as may be prescribed by

the Secretary of the Army," and in this instance we prescribed "limitations as may be prescribed by the head of the department or agency concerned."

The VICE PRESIDENT. The question is on agreeing to the committee amendment on, page 6, lines 9 to 17.

The amendment was rejected.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment was, on page 6, line 18, after the word "transportation", to strike out "services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned)."

Mr. HAYDEN. Mr. President, there again I have compared the language of the amendment with what was contained in the law last year. In line 5, on page 7, after the word "commanders", the words "commissioners, or other administrators" have been added. I assume that is done because there is no longer a military government in Germany, but the government there now is a civilian government.

Again, in line 8, page 7, as the bill now stands it contains the word "the head of the department", whereas a year ago the bill read "Secretary of the Army."

In line 21 and line 22, on page 6, the bill now reads: "health service programs as authorized by law (5 U. S. C. 150); payment of claims pursuant to law."

Otherwise the language is the same as that used last year.

Mr. McKELLAR. I have no objection to the Senator's suggestion.

Mr. HAYDEN. Mr. President, therefore I suggest that the committee amendment be rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment beginning on page 6, in line 18, and going down to line 8 on page 7.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The next amendment was, on page 7, line 14, before the word "of", to strike out "\$925,000,000" and insert "\$900,000,000."

Mr. LUCAS. Mr. President, is this amendment in the same category?

Mr. HAYDEN. No; this amendment relates to a change in the amount of money provided.

The VICE PRESIDENT. It reduces the amount from \$925,000,000 to \$900,000,000.

Mr. LUCAS. I beg pardon; I misunderstood which amendment was pending.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 7, in line 14.

The amendment was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, on page 7, line 14, after the word "which", to insert "(1) 90 percent of the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall not be available for any other financing, and (2)."

Mr. LUCAS. Mr. President, I made a point of order against the same language appearing on page 4 of the bill. The Chair sustained that point of order, and thereafter the Senate sustained the position of the Chair.

I now make the same point of order as to this amendment, without argument.

The VICE PRESIDENT. The Chair sustains the point of order.

The next amendment of the committee will be stated.

The next amendment was, on page 7, line 20, after the word "exceed", to strike out "\$45,000,000" and insert "\$40,000,000."

The amendment was agreed to.

The next amendment was, on page 7, line 21, after the word "expenses", to strike out the colon and the following proviso: "Provided, That the general provisions of the appropriation act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation."

Mr. HAYDEN. Mr. President, this proviso and the language which follows it, Congress considered necessary a year ago in order that the Government relief in occupied areas might be carried on. There are a few minor changes. For example, on page 7, line 9, it now reads "such areas." Last year it read, "Japan, Korea, and the Ryukyus." On page 9 of the bill, beginning with line 13, there is a provision which was included in the Senate bill last year but was deleted in conference, which the House has now included, namely:

Provided further, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service or employment bringing such individual within the provisions of sections 281 or 283 of title 18, United States Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The Senate had that proviso in the bill last year. The House would not agree to it but has now included it. Further

along we had the words "Secretary of the Army." That has been changed to read "head of a department or agency."

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. HAYDEN. I yield.

Mr. WHERRY. I think the Senator is correct in his interpretation, as I believe the chairman of the committee will agree.

Mr. McKELLAR. In view of the votes which have already been taken, there is no reason why it should not be stricken out.

Mr. WHERRY. I should like to make an inquiry of the Senator from Arizona. Beginning at the bottom of page 7, line 25, this language appears:

Provided further, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, 80th Cong.): *Provided further*, That expenditures may be made hereunder for the purposes of—

From that point clear to the end of the section, the bill is completely filled with legislation.

Mr. HAYDEN. There is no question about that.

Mr. WHERRY. That is the point I wanted to bring to the attention of the Members of the Senate.

Mr. HAYDEN. This legislation provides for government and relief in occupied areas.

Mr. WHERRY. Certainly.

Mr. HAYDEN. Congress adopted it last year. The House had again approved it.

Mr. WHERRY. If the Senator will permit, I ask if it was not legislation. I should merely like to say, if there is no objection, it points out in a graphic way to the Senate what the House does by way of writing legislation into an appropriation bill on which a point of order cannot be made. All we can do is reduce amounts. As I argued on the very first day, on the Senate floor, if we are going to be consistent, certainly the Senate rules should provide, it seems to me, that the Senate shall have an equal opportunity with the House so far as writing legislation into an appropriation bill is concerned; yet on the Senate floor any Senator who wants to take advantage of the situation can raise a technical point of order, and cut goes the legislation, although all through the appropriation bill we condone legislation that has been written into the bill by the House.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Tennessee?

Mr. HAYDEN. I wanted first to reply to the Senator from Nebraska by saying, as chairman of the Committee on Rules

and Administration, of which he is the ranking minority member, that I am going to join with him to see whether we cannot recommend changes in the Senate rules so there can be no question in the future with respect to the right of the Senate properly to amend legislation written into an appropriation bill by the House.

Mr. WHERRY. I appreciate that, and I thank the Senator. But I want to say once again that I believe the points of order raised by the majority leader, followed by the recommittal of the bill to the committee, in connection with the amendment proposed by the Senator from Arkansas, and the action of the Senate in striking out all these legislative matters, has forcibly called to the attention of Members of the Senate the procedure under which we operate and has shown the Senate how and why it should be corrected, in order that we may have at least an equal chance to place legislation in appropriation bills, when such legislation apparently is necessary, by way of a limitation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. Mr. President, I am very happy that the chairman of the Committee on Rules and Administration is going to give thought to the matter referred to. The present instance shows in a most graphic way that the House does the legislating and the Senate approves the House legislation, but any suggestion, even of a limitation, that may be written into an appropriation bill by the Senate committee is made almost impossible. It makes the Senate a sort of auxiliary body, either to say it approves or disapproves, but with no authority concerning the care of the taxpayers' money.

If nothing else good comes out of this bill—and I doubt that a great deal of good will come out of it—it may be that as a result of the procedure on this bill the Senate will be accorded the right to take some little part in the most important legislation passed by the Congress, namely, appropriation bills.

So, Mr. President, because of the adverse votes already taken, which uphold the House in all of its legislation and which take away from the Senate the power to enact legislation on appropriation bills, I am not going to make any further protest against the action of the majority of the Senate. I realize the majority can control, and they have controlled.

I merely want to say I protest against it with all the vigor of which I am capable. I do not think it is just or fair to the Senate, under the Constitution, which seems to be almost a back number now. We legislate without regard to it. I see my distinguished friend who made the points of order is against the committee's report. I am sorry he feels sleepy. I may say to him I would not disturb him for anything in the world. I am not going to talk any longer.

The VICE PRESIDENT. The question is on agreeing to the committee amendment striking out certain language of the House bill.

Mr. LUCAS. Mr. President, I did not know I had fallen under the spell of the distinguished Senator's oratory to the point where I had gone to sleep.

Mr. McKELLAR. The Senator was yawning as though he were going to sleep, and somehow or other when I am talking I like to have people listen, because I think I usually have something to say, though it does not have any effect on the Senator from Illinois. [Laughter.]

Mr. LUCAS. Any time the Senator can put the Senator from Illinois to sleep, the Senator from Tennessee should feel highly complimented.

Mr. McKELLAR. I do feel highly complimented.

Mr. LUCAS. There are very few Senators who can do that.

The VICE PRESIDENT. Without objection, the yawn of the Senator from Illinois will be stricken from the Record. [Laughter.]

The question is on agreeing to the amendment on page 7, line 21.

The amendment was rejected.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, on page 7, line 25, after the word "appropriation", to strike out the following proviso: "Provided further, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States."

The amendment was rejected.

The next amendment was, on page 8, line 6, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, 80th Cong.)."

The amendment was rejected.

The next amendment was on page 8, line 11, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended."

The amendment was rejected.

The next amendment was, on page 8, line 15, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from

funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas."

The amendment was rejected.

The next amendment was, on page 9, line 1, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes."

The amendment was rejected.

The next amendment was, on page 9, line 8, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947)."

The amendment was rejected.

The next amendment was, on page 9, line 13, after the amendment above stated, to strike out the colon and the following additional proviso: "Provided further, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service of employment bringing such individual within the provisions of sections 281 or 283 of title 18, United States Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States."

Mr. BRIDGES. Mr. President, on this particular amendment I concur in striking out the language, which is as follows:

Provided further, That service of an individual rendered under this appropriation as an expert, consultant, adviser, or technician shall not be considered as service or employment bringing such individual within the provisions of sections 281 or 283 of title 18, United States Code, of section 190, Revised Statutes (5 U. S. C. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

I should like to point out that that is an exception to the rule which we usually follow in this country.

Mr. HAYDEN. Mr. President, I suggest that it be taken to conference.

Mr. BRIDGES. Very well. I have no objection to that.

The VICE PRESIDENT. The question is on agreeing to the amendment. The amendment was agreed to.

THE VICE PRESIDENT. The next amendment will be stated.

The next amendment was, on page 9, line 24, after the amendment above stated, to strike out the colon and the following additional proviso: "*Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries."

The amendment was rejected.

The next amendment was, on page 10, line 9, after the amendment above stated, to strike out the colon and the following additional proviso: "*Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals."

The amendment was rejected.

The next amendment was, on page 10, line 18, after the amendment above stated, to strike out the colon and the following additional proviso: "*Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned."

The amendment was rejected.

The next amendment was, under the heading "Title II—General provisions," on page 11, line 14, after the word "violence", to strike out the colon and the following proviso: "*Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government

employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence."

Mr. HAYDEN. Mr. President, I think that entire amendment should be disagreed to, because it destroys the effect of the original provisions of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, on page 11, line 23, after the amendment above stated, to strike out the colon and the following additional proviso: "*Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both."

The amendment was rejected.

The next amendment was, on page 12, line 9, after the amendment above stated, to strike out the colon and the following additional proviso: "*Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

The amendment was rejected.

The next amendment was on page 12, after line 12, to strike out:

SEC. 202. This act may be cited as the "Foreign Aid Appropriation Act, 1950."

The amendment was rejected.

The VICE PRESIDENT. That completes the committee amendments.

Mr. McKELLAR. Mr. President, the committee has instructed me to offer an additional amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, line 4, after the word "concerned", it is proposed to insert the following: "*Provided*, That when members of the armed forces are employed primarily for the purpose of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid therefrom."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the committee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, the committee directed me to offer another amendment which I shall ask the clerk to read.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, after the amendment last agreed to, it is proposed to insert the following: "*Pro-*

vided further, That when the Department of the Army, under the authority of the act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 percent additional charge required by said act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany."

Mr. McKELLAR. Mr. President, the committee, after examination, came to the conclusion that this was a just and fair amendment, and I certainly hope it will be accepted by a two-thirds vote.

The VICE PRESIDENT. Unless a point of order is made against the amendment, the question of a two-thirds vote does not arise.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have a third amendment, and that completes the amendments.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 3, after the date "1950," it is proposed to insert the following: "*Provided further*, That the list of limited and prohibitive industries scheduled for destruction in, or removal from, Germany shall be reviewed and the Administrator of the Economic Cooperation Administration shall seek to obtain the retention in Germany of such plants on this list as would best serve European recovery if left in Germany."

Mr. McKELLAR. Mr. President, this is an amendment which met with the full approval of the committee, and I hope it will be adopted.

Mr. BRIDGES. Mr. President, is this the dismantling amendment?

Mr. McKELLAR. It is.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the committee.

Mr. BRIDGES. Mr. President, I should like to offer a substitute amendment which would be in line with the legislation. I should like to have it stated and see if it will be agreed to.

The VICE PRESIDENT. The secretary will state the amendment offered by the Senator from New Hampshire.

The LEGISLATIVE CLERK. In lieu of the amendment proposed by Mr. McKELLAR, it is proposed to insert the following: Beginning on page 4, line 23, strike out the colon, insert a comma and the following words: "of which not more than \$25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47)."

Mr. McKELLAR. Mr. President, I should like to understand the difference between that amendment and the committee amendment.

Mr. BRIDGES. Mr. President, it is phrased so that it conforms to the authorization. I intended to make a few

remarks on the dismantling problem to show that this amendment would give the Administrator discretion to review, under the authorization of the original act, the whole subject, but it would not be a specific instruction, as would be the amendment which the Senator from Tennessee has offered.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. HAYDEN. Is this the matter on which the Senator from New Hampshire and the Senator from Wyoming were working?

Mr. BRIDGES. Yes; but I have not the O. K. of the Senator from Wyoming on it. The other amendment was clearly legislation. This amendment is not legislation. It simply provides money to carry out the authorization in the original authorization act, leaving it to the discretion of the Administrator. I do not think there should be any real objection to it.

Mr. McKELLAR. Mr. President, I do not think there is any difference, and I am perfectly willing to accept the substitute.

Mr. BRIDGES. Mr. President, may the clerk state the amendment again, so that Members will understand it?

The VICE PRESIDENT. The amendment will again be stated.

The LEGISLATIVE CLERK. In lieu of the amendment offered by Mr. McKELLAR, it is proposed to insert the following: On page 4, line 23, strike out the colon, insert a comma and the following words: "of which not more than \$25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47)."

The VICE PRESIDENT. Does the Senator from Tennessee accept the amendment?

Mr. McKELLAR. I accept it.

Mr. HAYDEN. Mr. President, I know the Senator from Wyoming [Mr. O'MAHONEY] is interested in this subject. I have been trying to get word to him that it was under consideration.

Mr. KNOWLAND. Mr. President, I have an amendment which could be considered in the meantime.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from New Hampshire will be passed over temporarily.

Mr. KNOWLAND obtained the floor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. The amendment of the Senator from New Hampshire was accepted by the chairman of the committee.

The VICE PRESIDENT. It still has to be voted upon by the Senate.

Mr. WHERRY. Why could it not be voted on now?

Mr. HAYDEN. Mr. President, I was referring to an interest which I know the Senator from Wyoming had in the matter. The amendment may be entirely satisfactory to him, but I want to send for him, and in the meantime we can take up the amendment of the Senator from California.

The VICE PRESIDENT. The amendment of the Senator from New Hampshire is temporarily passed over, and the Chair has recognized the Senator from California.

Mr. KNOWLAND. Mr. President, the amendment which I offer under suspension of the rule, because it is also legislation, I wish to send to the desk and ask to have stated.

The VICE PRESIDENT. The secretary will state the amendment.

The LEGISLATIVE CLERK. On page 6, after line 2, it is proposed to insert the following:

CHINESE STUDENTS

The President is authorized and directed to allocate to the Secretary of State the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the act entitled "An act to amend the Economic Cooperation Act of 1948," approved April 19, 1949 (Public Law 47, 81st Cong.), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended.

Mr. KNOWLAND. Mr. President, if I may make a brief explanation of the amendment—

Mr. McKELLAR. Mr. President, the committee has approved the amendment. It does not increase the appropriation. It merely provides for use of money which is already in the hands of the Administrator, and the committee has no objection to the amendment.

Mr. KNOWLAND. Mr. President, I wish to say, relative to the amendment, that it brings about the same result that is effected by House bill 5602, which had the support of both the State Department and Mr. Hoffman, the Administrator of ECA. Out of the ECA funds in title 4 about \$56,000,000 was left over in the China-aid program, and, with some of the diversions of materials which had been shipped, due to the situation in China, I am informed by the ECA Administration, the amount is now about \$80,000,000. The amendment does not add any sum of money to the pending appropriation bill, but provides that out of the unincumbered balance of title 4 funds of ECA, this amount shall be set aside, that some 4,000 students who are in this country under agreement between the Chinese Government and our Government may continue their education and then be returned to China.

Mr. President, it is a very worthy amendment. As I have said, the bill that was introduced in the House had the support of the State Department and Mr. Hoffman. The action proposed is really one of the real bridges of friendship we will have between this country and the people of China in the future. The House of Representatives suspended its rule and adopted the bill in question by a vote of 254 to 46.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAGNUSON. The situation described by the Senator is particularly

applicable in the west-coast schools, where many Chinese are students.

Mr. KNOWLAND. It applies not only there, but throughout the country.

Mr. MAGNUSON. But the major portion of the students are in that area. When they came to this country, they all had their own funds, which they could get from China, but in view of the situation in China today, and the complete inability to get funds, there is no opportunity for them to support themselves, because they are not American citizens, and the proposed investment, to enable them to continue their training, since they intend to return to China, might well be worth while.

Mr. KNOWLAND. What the Senator says is true.

Mr. LUCAS. Mr. President, I have no objection to the amendment. I understand it is reported by the committee unanimously.

Mr. KNOWLAND. The committee unanimously authorized me to offer this amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, with the approval of the committee, I submit an amendment and ask that it be reported by the clerk.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 12, after line 12, it is proposed to insert the following:

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, W. Va., the Ohio River Ordnance Works at West Henderson, Ky., and the San Jacinto Ordnance Works at San Jacinto, Tex., for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "Government and relief in occupied areas" an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949.

Mr. THOMAS of Oklahoma. Mr. President, I think a brief statement should be made with respect to the amendment. It is legislation, of course, but I have authority from the committee to present it, and I have filed a notice so that if objection shall be raised that the amendment proposes legislation to a general appropriation bill, the issue may be put to a vote.

Mr. President, during the war we built a great number of plants for the making of certain chemicals. After the war was over we had those plants and some of the chemicals being produced in such plants were valuable as ingredients for fertilizer. So last year Congress enacted, as one section of the bill providing for the ECA, a direction to the Army to keep on producing such chemicals, anhydrous ammonia being the principal one, and directed the Army to keep the plants in

operation. It directed, further, that 50 percent of the total exports should come from these Army plants. On the floor of the Senate, at the insistence of the junior Senator from Oregon [Mr. MORSE] 10 percent of our production was to be retained in the United States.

Conditions have changed since last year. One year ago the Army needed fertilizer for use in occupied areas. Under the 1948 law the excess of anhydrous ammonia produced in Army plants was to be distributed as directed by the Department of Commerce. The Commerce Department is not specially interested in the distribution of fertilizer, and the Department of the Army wants, so I am advised, to get out of the business of producing fertilizer. My amendment would repeal last year's enacted law, which is now out of date. The amendment permits the Army to keep three plants in operation, and from the fertilizer produced in such plants a certain percentage, now undetermined is to be sold to the Republic of Korea, the balance to be sold and the funds received therefor are to be placed in the Federal Treasury.

This is an amendment recommended by the Department of Commerce, recommended by the War Department, and likewise recommended by a special subcommittee of the Committee on Agriculture of the House of Representatives.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. In the original bill, the proviso in section 202 reads as follows:

That nothing in this section shall be construed to repeal the provisions of section 205 of Public Law 793, Eightieth Congress, with respect to the production and allocation of nitrogenous fertilizer materials for domestic use.

As I listened to the reading of the amendment offered by the Senator from Oklahoma, it seems the amendment does repeal section 205.

Mr. THOMAS of Oklahoma. Yes, and this is how that came about, I will say for the benefit of the Senator from Illinois. The amendment was originally agreed to by all parties in interest, and was then presented to the Senate Appropriations Committee. When the committee was engaged in marking up the bill, there was a misunderstanding about the meaning of the last sentence, whereupon a provision was incorporated in the section which was contrary to the agreement which had theretofore been arrived at and about which the Senator from Illinois has just inquired. Later the matter was reconsidered and the original language was agreed to and the original amendment is now before the Senate.

Mr. LUCAS. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. Are motions to suspend the rule now in order with relation to amendments which have been taken out of the bill?

The VICE PRESIDENT. All committee amendments have now been acted on, and motions to suspend the rules with regard to amendments heretofore declared out of order are now in order.

Mr. McCLELLAN. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. After a motion is made to suspend the rule, is the motion debatable?

The VICE PRESIDENT. The motion is debatable.

Mr. McCLELLAN. Mr. President, pursuant to notice previously given, I move that the rule be suspended and that I be permitted to offer an amendment on page 4, line 2, of the bill, which amendment was stricken from the bill, and as to which I gave notice of a motion to suspend the rule.

The VICE PRESIDENT. The Senator has moved to suspend the rule in order to permit him to offer an amendment which has been heretofore stricken from the bill, and the motion is debatable. The Senator from Arkansas is recognized. Notice has heretofore been given.

The Chair will say that notices of all motions to suspend the rule which have heretofore been submitted, are at the desk.

Mr. RUSSELL. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. RUSSELL. A number of Senators, who are not now present, are interested in the amendment. I should like to suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Arkansas yield for that purpose?

Mr. McCLELLAN. I should like to make a brief statement to the Senate on the motion. I yield, however, for the purpose of the suggestion of the absence of a quorum.

Mr. RUSSELL. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Ives	Myers
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Connor
Byrd	Johnson, Tex.	O'Mahoney
Cain	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kem	Saltonstall
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Downey	Langer	Stennis
Dulles	Lodge	Taft
Eastland	Long	Taylor
Eaton	Lucas	Thomas, Okla.
Ellender	McCarran	Thomas, Utah
Ferguson	McCarthy	Thye
Frear	McClellan	Tydings
Fulbright	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Graham	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Young
Hill	Maybank	
Hoey	Millikin	

The VICE PRESIDENT. A quorum is present.

Mr. McCLELLAN. Mr. President, I regret that it is necessary for me to pursue this matter further, but I wish to undertake again to have this amendment considered on its merits and decided by a majority vote of the Senate. I cannot have that done unless the rules of the Senate are suspended.

This motion to suspend the rule does not involve primarily the merits of the amendment itself. There is a more important issue raised by the motion to suspend the rule than is the issue involved in the amendment itself. The merits of the amendment go to the saving of the taxpayers' money, and that is pretty important. But the primary issue raised by the motion is whether the Senate is willing to continue to operate under the rule which shackles it in legislation to a two-thirds vote instead of a majority vote on important legislation. All appropriation bills are important legislation. The House has coresponsibility with the Senate to legislate on appropriation bills. That body legislates by a majority vote. But we in the Senate, under the rules as they have been interpreted by the Chair in the rulings made during the past few days, and the rulings which have been sustained by the votes of the Senate, are required to follow a procedure under which, if even one Member of the Senate desires to legislate by a two-thirds vote instead of a majority vote, he can force the Senate to legislate in that manner.

Mr. President, I regret the necessity of having to take the parliamentary course which I have followed with this amendment. Irrespective of the final outcome of this issue, irrespective of whether this amendment is adopted or not, the parliamentary procedure which we have had to follow for the past week or two with reference to the bill, a point of order having been made against the bill and the bill having been returned to the Appropriations Committee, still leaves us shackled by the requirement of a two-thirds vote. We must legislate by a two-thirds vote on this bill and on the same issues on which the House legislated by majority vote.

I believe that this dilemma has pointed out to the Senate a serious situation with respect to our rules, according to their present interpretation, and that an effort should be and will be made to relax rules of the Senate so as to remove this restriction and make it possible for the Senate to function in its democratic processes, by a majority vote instead of a two-thirds vote.

Mr. President, I shall not take much time to further debate the amendment. The merits of the amendment have been pretty well covered in previous debate. But I take this occasion, in my final plea, to ask my colleagues to let us legislate by majority vote.

According to press reports the opponents of the amendment have admitted the adoption of the amendment would save \$500,000,000. In other words, according to their own admission \$500,-

000,000 would be retained in the United States Treasury. It would never be used for the purposes for which the Administrator of the ECA and the European countries said the money was needed. The money would still remain in the Treasury of the United States.

This amendment, if agreed to, would represent a saving of half a billion dollars; but we must take into account that in order to carry out the program without this limitation, another \$1,000,000,000 will also have to be added to the \$500,000,000, to be taken out of the Treasury of the United States and put into circulation, given to those countries to spend in foreign markets if they choose to do so rather than buy our surpluses. This amendment would mean a reduction in the appropriation of \$500,000,000 so its opponents say. We are giving those nations another billion dollars, plus \$500,000,000, to spend in foreign markets when we have in surplus here the agricultural commodities which they say they want and are going to buy. These surplus commodities are already Government property, owned and paid for by the Government, paid for with taxpayers' money. We now propose to spend money or give it to European countries for what we already have and have already paid for.

Certainly these dollars will ultimately come back to the United States. They will find their way back here in commerce and trade, but will not find their way back into the United States Treasury, except through taxation of the American people. They will simply be added to the national debt. Another billion and a half dollars will be added to the national debt.

I know, Mr. President, this amendment may not be very popular at the moment in some quarters, but 1 year from now, when an accounting is had, when the act comes before us for extension and further appropriations, and we review the past operations under the act, this amendment will be more popular. It will then be favored. The American people will understand its purpose. They will know by that time the amount of money it would have saved them. By then it would receive the support of a majority of this Senate.

Mr. President, my colleagues have just as much interest as I have in the effort to legislate for the protection of the American people. Whether my colleagues favor the amendment or not, on the issue raised by this motion I ask them to vote to suspend the rule, give us a two-thirds vote, and let the amendment be acted upon on its merits. If the amendment is then defeated, while I shall not change my opinion about its merits, and will still have the conviction which prompted me to submit it in the beginning, I shall be satisfied if the parliamentary situation which has developed focuses the attention of the Senate to a sufficient extent upon the shackles under which it must now operate so that it will be willing to change the rule.

I believe that ultimately the Senate will want to legislate by majority vote and not by two-thirds on the most vital questions which come before us, when we are spending billions of dollars in

foreign countries for their relief, in the hope that they may achieve a large measure of economic recovery, which would in turn be beneficial to the United States.

Let me remind Senators that since the war we have been voting and spending billions of dollars on the representation that European countries must have aid, and that it is in our interest to provide such aid. I remember the persuasive arguments which were made to this body when the Bretton Woods Agreement was before us, and when we authorized and appropriated money for a World Bank and a World Stabilization Fund.

I thought then, from the representations which were made as to the need for such legislation and appropriations, that that was the course we were to follow in rendering assistance in the postwar period. But the ink had hardly dried upon those measures when Great Britain was back pleading for a loan of \$4,500,000,000. We made the loan. I voted against it, but we made it, without any strings to it. Today Great Britain is in worse condition than she was the day we gave her the money. That is what we do when we write blank checks with no conditions attached, and turn the money over to foreign countries for expenditure. Today Great Britain's financial and economic condition, irrespective of the money she has received from that loan and this ECA program, amounting to \$6,000,000,000, is worse than it was before we gave her the money. Her situation today is more critical than it was on the day when she asked for a loan. How much more does she want? She is not satisfied with this; she says she needs another \$624,000,000, in addition to her \$1,000,000,000 quota of this fund we are now appropriating in this bill.

The point I am making is that when it is said that we must not impose any conditions on the granting of these funds because to do so would violate the sovereignty of the countries affected, I say we had better place some conditions or restrictions upon the granting and expenditure of these funds so as to safeguard and protect the United States, or later we shall find that the money will have been thrown away, and then at the end of this program we shall have obtained no beneficial results for either them or ourselves. If Senators think we shall make friends by buying them with this money, I say that unless we require these countries to meet reasonable obligations and conditions in order to obtain this help, so that we may be assured that in all probability some benefits will come from this aid on our part, when the program is ended, as the conditions in these countries grow worse—as in Britain conditions already are growing worse—will we have a friend, then, if we stop giving them money? We owe some consideration to our own interest and to our own solvency.

I am simply trying in this way, based on my humble opinion and best judgment, to place in the bill some conditions and restrictions that will safeguard this gift we are making from the taxpayers of the United States; to place some requirement which in the end will give greater hope and promise that this

program will be effective and that our objective will be attained.

I hope the Senate will agree with me that we should legislate by majority vote in this matter, and should not keep ourselves shackled in connection with these important issues by the requirement of a two-thirds vote, when the interests of our Nation and the best interests of this program are at stake.

Mr. President, we can give, throw, this money away if we choose, or we can spend it for real help to these countries. I am trying not to be wasteful—I am trying not to spend \$2 of taxpayers' money where \$1 will get the same results if properly spent and controlled.

The VICE PRESIDENT. The question is on agreeing to the motion to suspend paragraph 4 of Rule XVI.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 1962) to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. PACE, Mr. POAGE, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3751) to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

REMODELING OF THE SENATE CHAMBER—LETTER FROM WILLIAM W. WURSTER

Mr. LODGE. Mr. President, I have received from Mr. William W. Wurster, who is the dean of the School of Architecture and Planning at the Massachusetts Institute of Technology, a letter in which he comments on the attempt which was made by me to save the architectural style of the Senate Chamber. My reference was only to style, for, as Senators know, I have always been strongly in favor of anything that would make the Chamber and the Senate more modern in the true sense of making it more efficient. Dean Wurster, who is evidently an authority in the field of architecture, points to conspicuous and distinguished examples in this country of old buildings and old styles being retained, thereby furnishing an impressive record of our past. I think it might be healthy for those who want to destroy structures simply because they are old to read this letter. Perhaps a reading of the letter of Dean Wurster will at least slow up, if it does not prevent, our rather unconscious stumble into vandalism.

At this point perhaps I should read a few lines from the letter:

Times and taste change, but architecture as a living document of history should be retained.

* * * * *

When I read of removing the good strong character of the Senate Chamber to replace it possibly by some pallid period, I was sad. As Alvar Aalto, our visiting professor from Finland, said of some other things, "Why have all shiny, drug-store architecture?"

So, Mr. President, I ask unanimous consent to have the entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MASSACHUSETTS
INSTITUTE OF TECHNOLOGY,
SCHOOL OF ARCHITECTURE
AND PLANNING,
Cambridge, Mass., July 19, 1949.

The Honorable HENRY CABOT LODGE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LODGE: It was of great interest that you desired to retain the character of the Senate Chamber, and I add my voice to yours. Times and taste change, but architecture as a living document of history should be retained. The Harvard Yard is the most interesting and significant of all the college groups, for during the years we have the evidence of what was thought best in those years. Quiet Holworthy and the dormitories at its side, the craftsmanship of the Gothic Revival, the beauty of Bulfinch's University Hall, the robustness of Richardson's Seaver, and so it goes. Movie set perfection as shown at Hansel and Gretel Yale seems out of key with the seeking for reality which is the first principle of a university. Yes, I like memorial hall, and I hope they find a real use for it. I wonder why they don't use it again as a dining hall? By this same token I have a dislike for the Harvard houses on the river, for they seem an unreal attempt to catch hold of times past.

I have written to Douglass Orr, of the American Institute of Architects, to express the hope they can remodel the White House, for surely a building coming through war and fire cannot be duplicated exactly.

When I read of removing the good strong character of the Senate Chamber to replace it possibly by some pallid period, I was sad. As Alvar Aalto, our visiting professor from Finland, said of some other things, "Why have all shiny, drug-store architecture?"

Sincerely yours,

WILLIAM W. WURSTER,
Dean.

AIR-LINE DEVELOPMENTS

Mr. BREWSTER. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD an editorial from Aviation Week dealing with the speech made by the Senator from Colorado [Mr. JOHNSON], chairman of the Committee on Interstate and Foreign Commerce, at the celebration of the twentieth anniversary of the TWA service. His speech was made just the other day at Kansas City. This editorial is a most excellent analysis and appraisal of the admirable contribution of the Senator from Colorado to our commercial air program. In this connection I also ask to have printed in the RECORD, in connection with the editorial, a summary of the speech which was issued in the Klein Newsletter at about the same time, coming from Kansas City.

There being no objection, the editorial and summary were ordered to be printed in the RECORD, as follows:

[From Aviation Week of August 1, 1949]

SENATOR JOHNSON'S SOUND APPRAISAL

Broad outline of the program Congress may propose to strengthen the air lines has been revealed by Senator EDWIN C. JOHNSON, whose Interstate and Foreign Commerce Committee is investigating industry finances.

Speaking at Kansas City during TWA's twentieth anniversary celebration, JOHNSON came out flatly for separation of service mail payments from subsidy. He urged more consolidation of ground services, additional equipment interchange agreements, and thorough exploration of the potentialities of air coach.

The address was temperate, unprejudiced, and discriminating in its analysis of air-transport problems. The Senator apparently has been able to discern basic problems despite the inevitable muddying of the record by a minority of intemperate and inconsequential material presented on both the scheduled and nonscheduled sides.

Senator JOHNSON believes air transportation "is about to become the most attractive and economic transportation in history. * * * I still look for a tremendous increase in air-traffic volume."

The speaker said: "It is clear that Congress as well as the Civil Aeronautics Board may have to consider means to induce air lines to transfer routes and to merge or consolidate on reasonable terms and in the best interests of the public."

He advised air-line management to consider carefully all merger possibilities.

"Great credit is due the air lines for the speed with which they reversed their field and ran for cover" during the hard times of postwar. "Nevertheless, they have not gone as far, nor as fast, as the economic pressures demand."

Turning to air-line financing, JOHNSON asserted some carriers had adopted unwise policies. He criticized operators who have not maintained a reasonable ratio between debt and equity financing.

He said he was reluctant to advocate further encroachment by Government on the domain of business management's normal function. "But the unpleasant facts disclosed by our inquiry cause me to favor the imposition of CAB control over security issues," he said.

The chairman emphasized that his statements did not necessarily reflect the thinking or judgment of the Interstate and Foreign Commerce Committee. It is expected, however, that the committee majority's views will not vary substantially from JOHNSON'S.

Although the air lines are not yet out of the woods, 1949 has been a turning point in the industry's fortune, JOHNSON declared. "Fixed charges and operating expenses have declined slightly * * * regularity is better, safety has made tremendous gains, and traffic is up. Hope and faith have returned, and charity is on its way out."

JOHNSON indicated belief that the air lines tried only half-heartedly to consolidate their airport operations "a more aggressive approach toward consolidated operations would produce savings without sacrifice in service. If CAB eliminated some of the lone-wolf duplicating operations as legitimate expenses in determining mail pay we would have a very different story."

He took notice of CAB delays in major cases, and the applicant's expense and time required, which "can lead the average citizen into financial ruin." Each of the four major applicants in the air freight case had testified that his costs so far had been from \$70,000 to \$100,000 to pursue certificate efforts. "I wonder how much the ATA and the certificate carriers have spent in opposing them?"

JOHNSON spoke favorably of the first-of-the-week family fare plan and special excursion rates. But "no one will deny that of these three, air coach has had the most spectacular effect on development of real mass air transportation."

The Senator took issue with the position taken by some air-line officials before his committee that there is nothing wrong with the industry that bigger and better mail pay won't cure. He noted that total mail pay (domestic and international) jumped from \$42,967,000 in 1946 to \$69,489,000 in 1947; \$111,521,000 in 1948, and an estimated \$125,000,000 in 1949.

He said Congress should decide whether the air lines are to be a regulated public utility or live under the law of the survival of the fittest. "Today air lines are neither beast nor fowl and therefore receive support from the public Treasury to insure competition."

"I find keen cut-throat competition everywhere—shown by excessive scheduling, luxurious passenger extras, and extravagant promotional advertising of all kinds. To me, excessive competition purchased with Federal funds is ridiculous. * * * Either the industry must submit to full Government regulation with less competition or run the risk of financial failure resulting from its own mistakes. At the same time a way must be found to provide adequate air service to local and intermediate cities that will benefit and can reasonably support air service."

The Senator asserted that in the postwar crisis there have been "plenty of justifiable criticisms" of the air lines, CAB, and Congress.

It is rare, indeed, that a Member of Congress has given evidence of such a grasp of the problems of air transportation, and such an unwillingness to permit his judgment to be swayed by the happy but irrelevant thunderings of the propagandists. If the entire committee displays the qualities of the chairman in its recommendations, the industry should see hope of sound legislation on Capitol Hill.

ROBERT H. WOOD.

[From the Julius Klein Newsletter for July 1949]

ECONOMY KEY TO AIR LINE SOLVENCY (By Brad Dressler)

KANSAS CITY, Mo.—Air-line mail pay mixed with subsidy is sloppy business said Senator EDWIN JOHNSON in his recent speech before this city's chamber of commerce on the occasion of Trans World Airlines' twentieth anniversary of transcontinental service. The Senator from Colorado spared neither side in his talk, berating air-line management and the Civil Aeronautics Board alike for their failure to take steps necessary to insure economical service in the best interests of the public. He pointed out that in the interests of sound national bookkeeping, expenditure of public funds for the Postal Service, the national defense, and commercial transportation services should all be labeled specifically as such, and no longer wrapped up in one small package and called mail pay. The legislator soundly rapped the CAB for failing to have neither format nor conception of an economically sound national route structure, saying, "There is no excuse for failure to plan in an industry which grows and expands only by permission of a government agency."

The cause of mass air transportation received a well-earned boost from the Senator, who termed air-coach service "a spectacular development," and quoted statistics proving that Pan American World Airways had utilized the principle to a high degree of efficiency on its Puerto Rico route. In the first quarter of 1948, Pan American had 4,360 first-

class passengers on its New York-San Juan run. With the inauguration of air-coach service, 7,399 first class and 10,984 coach passengers were handled in the first quarter of 1949. JOHNSON pointed out that there was little diversion of first-class traffic to coach service. He declared that an entirely new market of mass air transportation had been opened up and exploited by an established operator for the first time. JOHNSON reproved air-line management for not taking steps to affect a certain degree of consolidation of equipment and services. He said that although he does not believe in complete consolidation, elimination of duplicate offices in many cities, individual air-line communication, and ground-crew systems would be a stride forward.

The impartial chairman of the Senate Committee on Foreign and Interstate Commerce remarked that some air-line officials have taken the position there is nothing wrong with the industry that bigger and better mail payments would not cure, and that these officials accused the Government of acting in bad faith by holding their mail payments to a minimum. However, he continued, many air-line presidents have urged that compensatory mail pay be separated from subsidy to create an incentive to all air lines to get on a self-supporting basis, and to remove the stigma of subsidy from the air lines which are now earning every cent of their mail pay. Being neither beast nor fowl today, the air lines receive public Treasury support to insure competition. And the Senator from Colorado decried the excessive scheduling, luxurious extras, and extravagant promotional advertising—significant of keen competition—all carried on at the expense of the public. He remarked he was impressed with the statement of Juan Trippe, president of Pan American World Airways, made before JOHNSON's committee in which he said: "As I see it, the Congress and the Civil Aeronautics Board must make up their minds whether or not they want to return the air-line industry to its intended status as a regulated public utility. If they don't, the relevant provisions of the Civil Aeronautics Act of 1938 should be eliminated. The air lines, as unregulated businesses, would then be free to operate where business was good and abandon service where business was bad. They would be free to make high profits or go bankrupt, as the case may be."

Senator JOHNSON's committee is now engaged in an investigation of all phases of the air-line industry. As head of this group, the Senator has obviously retained an unbiased viewpoint that bodes well for the future. He stands for what he feels is right, regardless of political parentage and any reforms in the present status of the air line suggested by JOHNSON and his committee will be in the best interests of the industry and the public.

Mr. BREWSTER. Mr. President, in this connection, I wish to call attention to one of the provisions of the ECA authorization act, being an amendment presented by the Senator from Maine:

(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

I also wish to call attention to a passage found in the House committee's report on the foreign-aid appropriation bill, the bill now before us. This passage of the House committee report was not referred to in the Senate committee's report or in the discussion in the Senate, but I think it well that in considering this bill we should have in mind what the House committee had to say regarding the importance of this matter. I quote

now from the report of the House committee on the foreign-aid appropriation bill, at page 3:

Another matter which the committee desires to call to the attention of the Administrator is that of tourism. The committee is not convinced that sufficient effort is being made by the responsible agencies of this Government to increase tourism in western Europe by providing reasonable and adequate transportation. There undoubtedly are in this country tens of thousands of individuals who are anxious to visit Europe but cannot do so because of present high costs of transportation. Every agency of the Government should bear in mind the fact that this is a program of the United States and its people rather than a program of the Economic Cooperation Administration. It is recommended that the Maritime Commission make a study as to the feasibility and possibility of converting a number of surplus vessels into one-class accommodations with a view to providing adequate transportation at reasonable cost. It is also urged that the Civil Aeronautics Board make a similar study with the same purpose in view in regard to air transportation. If these arrangements cannot be made under existing legislation, such legislation as may be necessary should be recommended to the Congress. While it is true that at the present time adequate living accommodations are not available in many of the European countries, such accommodations undoubtedly would be constructed provided there was some assurance of reducing cost and restrictions of travel. This increase in tourism would not only provide the necessary dollars to the participating countries, but also would ease the burden on the taxpayer in that a portion of the European dollar shortage would be supplied by those who can afford trips to western Europe.

I wish to say that from my personal observation, and I know from that of many Members of the Senate, in travel to Europe, there are very adequate accommodations in most of those countries, particularly in southern Europe, England, and Switzerland, of a class and character that will be entirely adequate for this service. If only we could accomplish the reduction of the cost of travel in accordance with the repeatedly expressed desire of American overseas air companies, there would be literally no limit to the number of American dollars which might go to Europe very naturally and easily, as the simplest solution of the problem of the European dollar shortage.

Next year is the holy year in Rome. There are millions of American Catholics who would look eagerly to a pilgrimage of that character. We have had before the Committee on Interstate and Foreign Commerce the testimony of one, who now is operating 44 chartered trips to Europe, under the authorization of the Civil Aeronautics Authority, that he could provide those trips to Europe at a charge of \$150 for the round trip.

I admit there is a good deal of campaign oratory in that, although he is a rather responsible operator and has been approved by the Civil Aeronautics Board for 44 charter trips carrying students this summer. But I say that if either the charter companies or the regular transportation companies could be permitted to inaugurate the low-cost transportation they have eagerly sought, so that instead of paying 10 cents a mile for overseas transportation we could have something like the 5 cents a mile which prevails in this country, next year when we come here to appropriate money for

further aid to Europe there could be additional millions, if not billions, of American dollars which had flowed naturally and easily into those countries. The ECA has already done something to stimulate this activity, with the assistance of Dr. Wilkinson of the Department of Commerce, who is in charge of travel under their direction, and of our representative of the ECA in Paris, who has devoted himself to this objective, and I hope they may have even more cooperation from the authorities of the Economic Cooperation Administration in stimulating this travel, and that the Civil Aeronautics Board and the Maritime Commission may recognize this opportunity to save the money of the American taxpayer, because as we have found thus far, the only alternative to equalizing our exchanges in the dollar shortage is out of the hide of the American taxpayer, except to the extent we can persuade a flow of dollars through this bill.

In England 2 years ago when one air transportation agency sought to inaugurate a \$350 round-trip to Europe, they were told that if they undertook to land passengers in England at any such figure they would be refused permission to land. I am unable to understand how a country which is seeking billions of dollars could fail to see, when such an offer is formally made to them, that if Americans who go over there, instead of paying \$600, have to pay only \$300 or \$400, they would have \$200 or \$300 more in their pockets when they landed in England. Such a fantastic objection to the free transportation of dollars into England or into Europe is certainly one to invite the attention of our Civil Aeronautics Board in their issuance of permits for foreign lines to come into this country at rates which make it impossible for many millions of Americans to undertake the journeys they would desire. So I hope very earnestly that in the administration of this act much more attention this coming year will be given to cooperation along this line.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas [Mr. McCLELLAN] to suspend the rule in order that he may offer the amendment he has indicated.

Mr. McCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Eaton	Jenner
Brewster	Ellender	Johnson, Colo.
Bricker	Ferguson	Johnson, Tex.
Bridges	Fulbright	Johnston, S. C.
Butler	George	Kefauver
Byrd	Gillette	Kenn
Cain	Graham	Kerr
Chapman	Hayden	Kilgore
Connally	Hendrickson	Knowland
Cordon	Hill	Langer
Donnell	Hoey	Lodge
Downey	Holland	Long
Dulles	Humphrey	Lucas
Eastland	Ives	McCarran

McCarthy	Myers	Taylor
McClellan	Neely	Thomas, Okla.
McFarland	O'Connor	Thomas, Utah
McKellar	O'Mahoney	Thye
McMahon	Robertson	Tydings
Magnuson	Russell	Vandenberg
Malone	Saltonstall	Watkins
Martin	Smith, Maine	Wherry
Maybank	Smith, N. J.	Wiley
Millikin	Sparkman	Williams
Morse	Stennis	Young
Mundt	Taft	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the motion of the Senator from Arkansas to suspend the rule. The yeas and nays having been ordered, the Secretary will call the roll.

The roll was called.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Wyoming [Mr. HUNT], and the Senator from Idaho [Mr. MILLER] are detained on official business.

The Senator from Illinois [Mr. DOUGLAS], the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Florida [Mr. PEPPER], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Florida [Mr. PEPPER] on this vote. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Florida would vote "nay."

If present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Wyoming [Mr. HUNT], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], who is necessarily absent, is paired with the Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Vermont [Mr. AIKEN], the Senator from Connecticut [Mr. BALDWIN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kansas [Mr. SHOEPPEL] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Kansas [Mr. REED] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS], and the Senator from South Dakota [Mr. GURNEY] are detained on official business. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay."

The result was—yeas 38, nays 39, as follows:

YEAS—38

Brewster	Eastland	Johnson, Colo.
Bricker	Eaton	Johnston, S. C.
Bridges	Ferguson	Kem
Butler	Fulbright	Langer
Cain	Gillette	Long
Chapman	Hendrickson	McCarran
Cordon	Jenner	McCarthy

McClellan	Millikin	Watkins
McFarland	Mundt	Wherry
McKellar	O'Mahoney	Wiley
Malone	Russell	Williams
Martin	Stennis	Young
Maybank	Thomas, Okla.	

NAYS—39

Anderson	Humphrey	Neely
Byrd	Ives	O'Connor
Connally	Johnson, Tex.	Robertson
Donnell	Kefauver	Saltonstall
Downey	Kerr	Smith, Maine
Dulles	Kilgore	Smith, N. J.
Ellender	Knowland	Sparkman
George	Lodge	Taft
Graham	Lucas	Taylor
Hayden	McMahon	Thomas, Utah
Hill	Magnuson	Thye
Hoey	Morse	Tydings
Holland	Myers	Vandenberg

NOT VOTING—19

Aiken	Green	Pepper
Baldwin	Curney	Reed
Capehart	Hickenlooper	Schoeppel
Chavez	Hunt	Tobey
Douglas	McGrath	Withers
Flanders	Miller	
Frear	Murray	

The VICE PRESIDENT. On this vote the yeas are 38, the nays 39. Two-thirds of the Senators present not having voted for the motion to suspend the rule, the motion is rejected.

IRREGULARITIES IN GOVERNMENT ACCOUNTING—REPORT OF THE GENERAL ACCOUNTING OFFICE

Mr. WILLIAMS. Mr. President, on numerous occasions during recent months I have called to the attention of the Senate certain irregularities which exist in some of our Government agencies and corporations. My reports to the Senate on these corporations have been based upon the conclusions of the General Accounting Office, following their auditing of the accounts as required by law.

During the past several years these periodical reports from the General Accounting Office have been presented to the Congress, and for some unexplained reason very little attention has been paid to their contents.

There has been submitted to the Congress under date of August 1, 1949, another report based upon the audits of the General Accounting Office under the Contract Settlement Act of 1944. In order that every Member of the Senate may be fully informed as to the contents of this report, which will be referred to the Senate Judiciary Committee, I shall review briefly some of the startling revelations contained therein.

This report brings direct charges of fraud on the part of not only some contractors, but certain Government representatives, who have conspired together to defraud the Federal Government.

I wish to quote a few excerpts from the report submitted by the Comptroller General. I quote:

As of May 31, 1949, the General Accounting Office has examined 9,195 settlements covering payments to 2,815 contractors in the approximate amount of \$1,165,000,000 for the termination of 26,484 contracts, subcontracts and/or purchase orders. Careful examination of the evidence disclosed in such examination has convinced me that—excluding indicated overpayments in such settlements due to such things as error or carelessness—at least 472 of the settlements * * * involving improper payments in excess of \$6,280,000, were induced by fraud.

Continuing:

The detection of termination settlements deemed to have been induced by fraud and the certification thereof to the Department of Justice has not resulted in the automatic recovery of the amount unlawfully obtained. To the contrary, of the more than \$6,280,000 of fraudulent payments reported, apparently only \$107,882.02 thus far has been recovered and it is unlikely that any substantially approximate amount will ever be recovered.

Turning to page 5, I find this statement:

No case has been called to my attention in which the settlement resulted in an underpayment to the contractor. In other words, all errors or inaccuracies were in the contractor's favor—not the Government's.

On page 6 of the report I find this quotation:

Careful analysis of the facts disclosed thus far has convinced me that improper or excessive payments in the aggregate amount of over \$2,340,000 were made by the Government in connection with 388 settlements—not involving fraud—representing one out of every 24 settlements examined. Also, analysis is being made of 179 additional settlements as to which field auditors of the General Accounting Office have reported overpayments totaling in excess of \$2,200,000 more.

Mr. President, in the appendix that was attached to the report the General Accounting Office submitted a report of several specific cases which they described in detail, and I quote one case, from page 8 of the statement, as follows:

Linked with the apparent concerted plan or collusion for the personal benefit of the parties involved, the investigation disclosed an apparent scheme whereby 20 percent of the contract prices was to be "kicked-back" to certain Government representatives either directly, through their relatives, or through "dummy" corporations owned by, and veiling the identities and activities of, these Government employees. It safely may be assumed that the contract prices charged to and paid by the Government were inflated in an amount sufficient to compensate the contractors for this added expense.

I continue to read:

At least eight contractors, with deliberate intent to defraud the Government, did knowingly and willfully falsify and conceal material facts in connection with their respective termination claims for the purpose of inducing the termination settlements consummated on the basis thereof and of obtaining for themselves or others—including present or former Government personnel—excessive payments. Included in such termination claims, among other improper charges, were the amounts paid to certain Government personnel for their services in assisting the contractor in obtaining the award of such contracts.

I continue:

It is worthy of note that in many cases the settlements were approved on the recommendations of the same individuals who had participated in the afore-mentioned irregularities relating to the initial awards of the contracts. Aside from the extensive but indeterminable losses to the Government by reason of indicated fraud, as mentioned above, in the award and in the performance of the contracts involved, the aggregate amount deemed fraudulently obtained in the settlements effected upon termination of such contracts is in the sum of, at least, \$274,273.36.

This case was certified to the Department of Justice on May 12, 1948, case

No. B-74540. It appears that up to date no action has been taken by the Department of Justice to prosecute the Government employees, and, the report indicates that some of them are still on the Government pay roll.

I continue to read from the report:

In one instance, for example, it appears that an Army officer divulged to one of the bidders for Government business the prices quoted by other firms as a result of which the bidder was successful in obtaining a Government contract for \$40,375. The subject contract was canceled and there was paid in the settlement on a claimed percentage of completion basis, the sum of \$34,348.75, notwithstanding that examination disclosed that the contractor's actual costs were only \$7,053.13. It is not surprising to find, as an aftermath, that this officer subsequently became an employee of the contractor and is shown by the contractor's pay roll records to have been paid \$7,600 for services. Several other cases were disclosed indicating a "feathering of nests" by officers and employees of the Government who subsequently were employed by the contractors. * * * In yet another case, two former Army officers, while on active duty charged with carrying on the technical manual program on behalf of the Government, received shares of corporate stock valued at \$2,000 in return for purported part-time services to a firm which shortly thereafter received Government contracts at prices totaling in excess of \$100,000.

Mr. President, I do not think it necessary to continue reading this report. The entire report is loaded with similar cases, and I know it is being referred to the Senate Committees on the Judiciary and Expenditures in Executive Departments. I think the Senate should make sure that they follow through and ask the Department of Justice what action they have taken in regard to these cases, and if proper action has not been taken, we should find out why.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. BRIDGES. Mr. President, I call up my amendment, which I was authorized by the Appropriations Committee to offer, which provides for a \$150,000,000 loan for ECA.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 3, after the date "1950", it is proposed to insert the following: "Provided further, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said act; and the provisions of paragraph (2) of section 111 (c) of said act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein."

Mr. BRIDGES. Mr. President, this amendment is based upon the theory

that the countries receiving ECA aid gradually will become stronger, and, as they become stronger there is no reason why some of the money which is now being given in grants should not be granted in the form of loans to attain some of the same results. The amendment was carefully considered by the Committee on Appropriations, it meets with the approval of the ECA Administration, and I do not think there can be any opposition to it.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I now call up the amendment on the use of counterpart funds.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 5, after line 12, it is proposed to insert the following:

The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer: *Provided*, That quarterly reports for the fiscal year 1950 shall be made to the Congress by the Administrator of the program undertaken pursuant to this section.

Mr. BRIDGES. Mr. President, the amendment would authorize the Administrator, within his discretion, to utilize such amounts as he sees fit for the use of favorable publicity to promote good will through existing agencies of publicity in the various countries receiving aid from ECA.

Mr. WHERRY. Mr. President, does the amendment deal with publicity put out in European countries?

Mr. BRIDGES. Yes; it does. It is offered with the thought in mind that certain of the counterpart funds which come to us should in our discretion be used to inform the peoples in the particular areas as to what the United States is doing in the way of ECA cooperation. In my judgment it is a sound amendment and will result only in good both for our country and the participating countries.

Mr. WHERRY. Mr. President, does the amendment also provide funds with which ECA publicizes to the people of the ECA countries what is happening in America?

Mr. BRIDGES. It may or may not. I cannot answer that question. The purpose of the amendment, as we worked it out, was to inform the people of the cooperating countries of the program of ECA, and the fact that our substance, our wealth, is being given to them to promote their own recovery. The thought we had in mind was that the present coverage of publicity is insufficient. Therefore the amendment, we believe, would result in giving better and more effective publicity and in creating good will toward America, securing by way of return something in the form of good

will for what we are doing with American dollars and American substance.

Mr. WHERRY. Does the distinguished Senator from New Hampshire know about an ECA pamphlet put out in France, for example, entitled "L'Aide Américaine a la France"?

Mr. BRIDGES. No; I am not familiar with it.

Mr. WHERRY. Does the Senator know how much it costs to publish that pamphlet?

Mr. BRIDGES. No; I have no idea as to that.

Mr. WHERRY. Mr. President, the pamphlet was handed to me day before yesterday. That was the first time I had ever seen a copy of it. On the back of the pamphlet is language which shows that the money for publishing it is provided from ECA funds. I do not read French, so I cannot properly interpret everything contained in the pamphlet. But I have had a translation of the complete pamphlet given to me.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Is it accurate? the Chair would inquire.

Mr. WHERRY. Pardon me.

The PRESIDING OFFICER. Is the translation accurate? the Chair would inquire.

Mr. WHERRY. That I cannot say. I am unable to compare the language of the pamphlet with that of the translation. If the translation is a true one, the pamphlet attempts to publicize to the people of France that our ideology is as liberal as the ideology now in vogue in France. It indicates that our form of government is half socialistic and half a representative form of government. It seems to me the effort is made in the pamphlet to tell the people of France that America holds the same beliefs with respect to government as those held by the people of France. The pamphlet in describing our form of government totally ignores that ours is a representative government, that we have in effect democratic processes. The pamphlet states that the American people have the same ideology as the people of France.

I am not going to make a speech on the subject of the pamphlet. I am not going to contest the amendment. I have listened to testimony by Mr. Hoffman and others respecting ECA, covering more than a thousand pages of hearings. I respectfully submit, however, that if ECA dollars are translated into French francs and used for such a purpose as publishing this pamphlet, it is being done in direct contradiction to the purposes of the ECA Act.

The act authorizes the use of American taxpayers' money to do what? To stop the expansion of communism, to stop the expansion of totalitarianism. If the pamphlet endeavors to show that we do not wholly countenance the use of our money for such purpose, that certainly should be brought to the attention of the Administrator, Mr. Hoffman. The act provides that if any ECA country does not comply with the provisions of the act, ECA aid shall be withheld.

Mr. President, the translation is eight pages long. I have not asked to have an estimate of cost of publishing made, but I shall ask that it may be printed in the

RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, permission will be—

Mr. LUCAS. Mr. President, just a moment before the Chair rules on the request. I do not know anything about the pamphlet.

Mr. WHERRY. Does the Senator from Illinois wish to see it?

Mr. LUCAS. No, I do not; because I do not know any more French than does the Senator from Nebraska. The Senator has taken someone's translation, and on the basis of that translation has made a speech raising serious question over what ECA does in Europe. I think it is a little bit dangerous to consent to the request unless we know exactly what we are doing.

Mr. WHERRY. Mr. President, what the pamphlet contains is dangerous, I believe. If the pamphlet contains the material which the translation shows it to contain, certainly our Administrator is not keeping to the purposes of the ECA Act. The pamphlet contains the ECA label. If it is put out by the ECA or some division of the ECA, that ought to be brought to the attention of the Senate. That is all I am talking about. I am not quarreling over the amendment. I am not interested in whether so much money should be earmarked for this or that purpose, or so much money taken from the general fund. I believe, however, the pamphlet itself should be brought to the attention of every Senator. I do not propose to take time to read it. There are some statements in it to which my friend from Illinois might take exception.

The pamphlet is made available to the people of France and sets forth what our ideology is supposed to be. As I said, this is the first copy of the pamphlet I have seen. It seems as though American ingenuity was used in putting it out. It is all right to issue such a publication if it does a good job; but what is done should be in keeping with the fundamental purposes of the act itself. So I again ask unanimous consent that the translation may be published in the RECORD, at this point.

Mr. LUCAS. Mr. President, I dislike to object to a request of this kind unless—

The PRESIDING OFFICER. Objection is heard. The Chair respectfully represents to the Senator from Nebraska that he can have the pamphlet referred to the Senate Committee on Foreign Relations or to the Appropriations Committee, where it will receive appropriate consideration.

Mr. WHERRY. The objection is an unusual one. I have been a Member of the Senate for 7 years. As I have said, I am not quarreling with the amendment. I am not submitting the document on the spur of the moment for the purpose of blocking the amendment. I am simply calling to the attention of the Senate a pamphlet which was put out by ECA which certainly does not represent to the people of France the kind of ideology to which we of Amer-

ica hold. I certainly have the right as a Senator to ask that the translation be printed in the RECORD as a part of my remarks. I would be willing to insert it in the Appendix of the RECORD if the Senator would not object, so it can be brought to the attention of the Senate, and so that the Administrator can see what it is. I hope the Administrator will take cognizance of what is contained in the pamphlet, because it is in direct contradiction to the purposes of the act itself.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LUCAS. Can the Senator advise the Senate who made the translation?

Mr. WHERRY. The translation came to me with a copy of the pamphlet from a man in whom I have the utmost confidence.

Mr. LUCAS. Who is he?

Mr. WHERRY. I am not going to give his name. I do not have to give his name, but I have the utmost confidence in him.

Mr. LUCAS. I am not going to ask for his name.

We have listened to the eloquent speech made by the Senator from Nebraska against this pamphlet; he does not know whether this is a correct and true translation or not; yet he says he has faith in the individual who gave it to him. I presume the individual who gave it to him probably had it translated by someone else. That is not a violent presumption.

Mr. WHERRY. I can read the translation; and if the Senator is going to insist that I cannot have it placed in the RECORD, I shall read it into the RECORD.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent that the document to which he has referred be printed in the Appendix of the RECORD. Is there objection?

Mr. LUCAS. Mr. President, I am not going to object. I know the Senator from Nebraska can read it into the RECORD, and I know that the Senator would do that—

Mr. WHERRY. Now, Mr. President, let us not have trouble on the floor of the Senate.

The PRESIDING OFFICER. Objection has not been heard. Is there objection?

Mr. LUCAS. Mr. President, reserving the right to object, this is a rather serious situation. I submit to my friend from Nebraska that it is a serious matter. I do not know what is in the pamphlet. Neither does he. He does not know any more about French than does the Senator from Illinois; and yet he is willing to place this translation in the RECORD, regardless of how it may affect the ECA program.

Mr. President, even if I were utterly opposed to the ECA program, in all fairness to it I would want to know definitely whether this translation is an authentic translation, or whether it is a political translation to the detriment of the ECA program. I know of individuals—and this is no reflection upon any Senator—

who would be glad to translate a pamphlet of this kind for the sole purpose of discrediting the ECA by getting it into the CONGRESSIONAL RECORD at this time. That is why I say that it is a dangerous precedent to follow. I know that my friend from Nebraska would read it, regardless of whether or not it is authentic. He is going to read it anyway, so I am not going to object.

The PRESIDING OFFICER. The Chair hears no objection, and the matter will be printed in the Appendix of the RECORD.

[The translation appears in the Appendix.]

Mr. WHERRY. Mr. President, I thank the distinguished majority leader for withholding his objection. I do not care to reply to his remarks except to say that I have absolute confidence in the one who handed me this translation. I want the title of the pamphlet to go into the RECORD. It is translated into English. The title of the pamphlet is "The Discovery of Progressive America," and it is written by Henri Pierre. The translation is going into the RECORD. I will take the full responsibility for it. I wish to do nothing more than call attention to it. If there is one word which is not translated as it should be, I will take the full responsibility for it.

Let me say to Senators that this is a translation of an article which purports to deal with the discovery of a progressive America. I believe that this article, which is being circulated by the ECA in France, will astound Senators. I think it is time to place it in the RECORD.

This is not the first time I have found something unusual in the ECA program. I think I am open to conviction. I found some figures which even the Administrator said were fantastic. He said he did not even know of their existence. He said that they were deliberate misrepresentations, but they were in his justification.

I should like to ask the Senator from New Hampshire whether this amendment would cover such a situation as I am about to mention. I am in favor of using counterpart funds to help the people of France understand the ideology of citizens of the United States. I am for a free country. I am for the free-enterprise system, and I am perfectly willing that money be spent for the purpose I have indicated; but if it is to be spent for the purpose of creating the impression among the citizens of France that what we have here is a progressive citizenship, so progressive that it is the beginning of totalitarianism, I think the money should not be spent for that purpose.

Once again, I say that I place this article in the RECORD only for the purpose which I have stated. I hope that those in authority will read it. I hope they will read copies of similar documents before they are issued, and I hope that what they will do will be helpful to the United States, and will not hinder us not only in saving France and other countries, but in establishing peace through out the world.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. WHERRY. I do not have the floor.

Mr. BRIDGES. I am glad to yield to the Senator from California.

Mr. DOWNEY. I wish to ask the distinguished minority leader a question. Did I correctly understand him to say that he intended to read the article itself, rather than the translation? If I correctly understood him, I should be delighted to stay here and listen to him read the article.

The PRESIDING OFFICER. The rules of the Senate require that all debate be carried on in English. [Laughter.]

Mr. BRIDGES. Mr. President, I feel that the point raised by the distinguished Senator from Nebraska is a valid one. I should like to point out to him that the last sentence of this amendment provides as follows:

Provided, That quarterly reports for the fiscal year 1950 shall be made to the Congress by the Administrator of the program undertaken pursuant to this section.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire will be stated.

The CHIEF CLERK. On page 4, line 23, it is proposed to strike out the colon, insert a comma, and the following: "of which not more than \$25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47)."

Mr. BRIDGES. Mr. President, I should like to give a brief explanation of this amendment. This is the so-called dismantling amendment.

PRESENT SITUATION OF DISMANTLING OF GERMAN PLANTS

Today, 4 years after VE-day, the dismantling of German factories is still going forward and the tearing down of some of the biggest and best, from the point of view of European production, is just being started.

TOTAL OF 914 PLANTS TO BE DISMANTLED

On the basis of decisions made before the Marshall plan, it was determined that a total of 914 plants in the three western zones of Germany should be dismantled and made available for reparations. Plants were included in this list for each of three basic reasons:

First were war plants, that is plants for the production of guns and ammunition. The strictly military equipment in these plants was destroyed and the general-purpose machinery was made available for reparations. There were about 325 plants in this category.

Second, there were a small group of plants in so-called prohibited and restricted industries such as aluminum, ball bearings, synthetic rubber, magnesium, where the production in Germany was to be held down or eliminated to prevent Germany from making war effectively.

Third, and of most concern to the European recovery program, was the largest group of plants, which were put on the list because they were regarded as in excess of the capacity required to maintain in Germany a level of industry agreed upon finally in August 1947, before the ECA program began. These are ordinary factories making pipe, machinery, steel sheets, fertilizer, and railway equipment.

Section 115 (f) of the Economic Cooperation Act provides that—

The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

After a year of surveys of the situation, while dismantling was continually going on, the Administrator finally obtained an agreement with the British and French that 159 of the German plants on the list should be retained in Germany. This means that of the total of 914 plants 755 will be or have been dismantled.

USE OF DISMANTLED PLANTS

The reparations procedure does not involve, first, a survey by a liberated country of German plants to determine what plants or machinery the country can really use effectively, then a claim for such German equipment, and finally an order to tear down the plant in question.

Plants are ordinarily dismantled before anyone knows where they are to go or what use will be made of them. Of the total of 755 plants scheduled for dismantling, only 390 have been allocated to the countries which are to receive them. In other words, a great many of these plants have not been allocated to any other country. The remainder are to be torn down, regardless of when or where they may be reerected.

Mr. President, one of the things which impressed me very much a year ago when I was in Germany was the great scarcity in Germany at that time, and elsewhere in Europe, of soap. The monthly ration of soap for each person was a small bar about the size of the small bar of soap one gets in an American hotel. It was a very light bar of soap, containing many air bubbles. That was the monthly ration of soap for each person. Soap was a very scarce article. One of the hardest things to do at that time in Europe was to keep clean. Yet, after learning of that situation, I went into soap factories in Germany which were being destroyed. Certainly a soap factory can constitute no great threat; and certainly in the economic development of Germany to the point that she will be self-sustaining, so that the burden of sustaining her will be taken off the backs of the American people, it is not necessary to destroy soap factories. After all, people must be able to keep themselves clean.

As a matter of fact, we tried out that bar of soap; and we found that after we had used it to wash our hands—and wash them very poorly, by the way—four times, the bar of soap was entirely used up.

During the 4 years since the war, and particularly since the Marshall plan, the interest of European countries in obtaining second-hand machinery has greatly diminished, and it is questionable whether many of these plants will ever be reerected. There is great interest, however, in seeing that German competition is eliminated by the removal of competing factories.

It should be noted that Albania, Yugoslavia and Czechoslovakia are regarded as liberated countries, and that they share in German reparations, although the policy, as reported, is to eliminate strategic equipment from such deliveries.

When we were in Europe a year ago with the Appropriations Committee, shipments were still being made to Russia and to various countries behind the iron curtain. I am informed that those shipments have been stopped now. But at that time, nearly 3 years after the end of the war, those shipments were being made. To my mind, that procedure was either stupid or almost treasonable.

However, if inquiry was made at that time of our military authorities in Germany or elsewhere, the only answer they could give was that they had their orders, and that the orders came from Washington, from the War Department. If one inquired at the War Department, the reply was that the orders came from the State Department. It never has been determined who gave the orders to carry on that stupid dismantling program in Germany.

Here we are giving the German people billions of dollars in an attempt to make them self-sustaining, and yet through the dismantling policy we are preventing them from becoming self-sustaining.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. HAYDEN. If the Senator will defer on this amendment until he can confer with the Senator from Wyoming, perhaps that would be well. Are the Senators in accord on the amendment?

Mr. BRIDGES. Yes, we are; I have conferred with the Senator from Wyoming.

Mr. President, the ECA Administrator appointed what is known as the Humphrey Committee, which made a survey and then reported to Mr. Hoffman in regard to dismantling. Since the Humphrey Committee made its report on dismantling, there has been a final decision as to which German industries are to be prohibited or limited in capacity for military security. This has led to further questionable tearing down of plants. For example, the so-called Fischer-Tropsch plants, which make soap fats and various chemicals from coal, together with a limited percentage of gasoline, are being torn down. Furthermore, the parts of these plants that are general-purpose refineries are being torn down, as well as the segments of the plants which processes the coal, at a time when additional oil-refining capacity is being built in Germany.

It is not too late to do something. Some of the most important plants are still untouched. In many of the others the machinery is still in the plants, al-

though dismantling is under way. Of the plants not yet dismantled, most are not yet scheduled for delivery to any country, so there would be no upset to any nation's recovery effort if the machinery were kept in Germany.

Our commitments to deliver reparations date from a period prior to the Marshall plan, and all the participating countries derive much greater benefit from American aid than from reparations.

The point I wish to make about this amendment is very simple. It is not legislation; it merely provides a small sum of money to enable the Administrator to go forward under the original authorization of the law. It is the intention of the Appropriations Committee, and it would be my intention, and certainly would be the intention of others, that once again this problem would be reviewed. It certainly would be my hope, desire, and expectation that the Administrator would immediately review this whole situation and determine whether at this particular time some of the plants which are scheduled for dismantling or are in the process of dismantling, particularly those which have not yet been allocated to some other country, might be salvaged. Such a step will, in the end, help to take Germany and the German people off our backs and help them become self-sustaining.

Mr. President, in this connection I ask unanimous consent to have inserted in the RECORD, as a part of my remarks, an article by Dorothy Thompson, published in the Washington Evening Star of August 2.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**CONGRESS URGED TO HOLD UP ECA FUNDS
UNTIL REICH DISMANTLING IS REVIEWED**
(By Dorothy Thompson)

There is a movement in the Appropriations Committees of Congress to hold up the ECA bill until the administration reviews its policy on the dismantling of German industry.

The administration opposes this, arguing that it interferes with commitments to British and French. In addition, it spread around the gossip that the review of dismantling was planted in the bill by Nazi cartelists.

Among the Nazi cartelists opposed to continued dismantling are: The American Federation of Labor, the Congress of Industrial Organizations, the United Mine Workers, the National Association of Manufacturers, the National Grange, the United States Chamber of Commerce, the Christian Century and the World Council of Churches (Protestant), and the Commonweal (Catholic).

The argument of the Appropriations Committees is that we are pouring American money into Germany to supply things which Germans can manufacture themselves. The administration may make all the commitments it pleases, but it is Congress which decides whether to pay the bills for such commitments.

NOTHING TO DO WITH CARTELS

The dismantling issue has nothing to do with cartels. Dissolving a cartel is not the same as wrecking a plant.

Behind the dismantling of German industry are British industrial interests who fear German competition. They fear it because of the low efficiency of British producers, the readiness of German managers and workers to run appalling risks, and the

recognition by German Socialists—in contrast to British—that it is pure illusion that a country in the British or German situation can find salvation through shorter hours and less intensive labor.

These facts and fears are not secret; they are aired repeatedly in the British press. Even British interests that oppose dismantling for political reasons are against any substantial revival of German industry unless under a cartel-like agreement with Britain to control the international market.

BOARD OF TRADE PRESSURE

In the discussion of British policy which led to the formation of policy, it was the Ministry of Supply and the supply departments of the board of trade which pressured the British Foreign Office, which at one stage was reasonable, seeing the political dangers in such a policy of resumed wrecking. There are high British officials—and those who know most about Germany—who have considered resigning unless Foreign Minister Bevin halts this policy. Gen. Lucius Clay has expressed himself forcibly, in private at least, against the nonsense of dismantling German fertilizer industries while thousands of tons of fertilizers are shipped as compensation at American expense.

And when it comes to "commitments," dismantling is a violation of the Potsdam agreement.

The present world situation makes strange bedfellows. Keeping down German industry is one thing on which Mr. Bevin agrees with the Kremlin—though the Kremlin has successfully angled to have Britain and America take the responsibility.

REVENGISTS INCLUDED

Communist fellow travelers in the United States are for continuation of dismantling. There were numbers of them in the original anticartel division of the American military government. These gentry also supported the Morgenthau plan. Their reasons are not those of British industrial competitors. They merely want the western Allies to ruin themselves in Germany, and no policy is better calculated for this end.

Added to these are fanatical revengists who want to go on wrecking Germany even if they wreck the American economy and western policy simultaneously.

There are elections in Germany in August. If my readers had been with me in the Ruhr in June, they would have seen what effective campaign material the Communists were making out of the western reopening of dismantling after it had been halted in the Russian zone.

The congressional Appropriations Committees are, therefore, financially and politically right. They should refuse to vote further foreign relief until dismantling is halted and reviewed in the light of technical and economic information forthcoming since it began again in June. Congress should send a commission to Germany, including important labor leaders such as Walter Reuther and John L. Lewis. Mr. Lewis already has been invited by the German coal miners, as exclusively reported in this column from Dusseldorf some months ago.

And Congress should inquire carefully into the forces and personalities who insist on a program suicidal to us.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from New Hampshire to the amendment of the Senator from Tennessee, on page 4, in line 23.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. LUCAS. Mr. President, the original House bill 4830 which was reported by the Appropriations Committee had, in title I, a heading "Contingent expenses

of the Senate," and that was followed by certain language dealing with what is known as the "watchdog committee." The Senate will recall that a point of order was made in respect to line 4 and also lines 7 to 11, inclusive; and the point of order was sustained.

When the Appropriations Committee reported the bill the second time, it recognized that points of order had been made against the two amendments, and it reported the bill without them.

In view of the fact that this amount of money has been appropriated for the watchdog committee, and with the full realization that travel expenses throughout Europe are not the same as those in the United States, in connection with the act of 1949, to which this provision applies, I ask unanimous consent that title I of the present bill, House bill 4830, be stricken out in its entirety, and that in lieu thereof—

Mr. McKELLAR. Mr. President, at this time I should like to ask the Senator a question in regard to what he proposes to do. It seems to me he has in mind, in line 4, page 2, reinserting the words "without regard to the Travel Expenditures Act of 1949."

Mr. LUCAS. That is correct.

Mr. McKELLAR. That is the first one. Then, in line 7—

Mr. LUCAS. That is correct.

Mr. McKELLAR. And then—

All obligations incurred during the period between July 1, 1949 and the date of the enactment of this act in anticipation of such appropriations are hereby ratified and confirmed, if in accordance with the terms hereof.

Mr. LUCAS. The Senator is correct.

The PRESIDING OFFICER. Let the Chair see if he can state the question: The question is on the unanimous-consent request to reinstate in the bill, in the title affected, the matter dealing with travel, omitted from the previous bill, and the second proviso dealing with the same matter.

Mr. LUCAS. The Chair has stated it correctly. I hope that amendment will be agreed to.

Mr. WHERRY. If I may inquire, just what is the force of this amendment?

Mr. LUCAS. It merely returns to the original provision of title 1 and permits the Travel Expense Act of 1949 to be disregarded.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Illinois? The Chair hears none; and the amendment is agreed to.

Mr. McKELLAR. Mr. President, at this point I ask unanimous consent that the Secretary be authorized to change the section number in the bill.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment, the question is on the third reading of the bill.

Mr. KEM. Mr. President, I should like to call up the so-called antisocialism amendment offered by the Senator from Nebraska [Mr. WHERRY], the Senator from Arkansas [Mr. McCLELLAN], and myself.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, after line 12, it is proposed to insert:

SEC. 202. No part of the appropriations contained in this act shall be furnished to any participating country, the government or any agency thereof, which shall, after the date of enactment of this act, acquire or operate, in whole or in part, any basic industry thereof, other than industries the acquisition of which has been completed prior to the date of enactment of this act.

And in line 13, it is proposed to strike out "Sec. 202" and insert "Sec. 203."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LUCAS. Mr. President, will the Senator yield in order that I may ask a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. KEM. I yield.

Mr. LUCAS. May I inquire whether the Senator will be agreeable to entering into a unanimous-consent agreement on the matter of time for debate of this one amendment? It is I understand the last amendment to be considered, and all the Members with whom I have talked feel that perhaps we could finish the bill tonight after debating and voting upon the Senator's amendment. In other words, I will give the Senator an hour and a half and take 30 minutes on our side.

Mr. KEM. Mr. President, it is difficult to decline any request made by the gracious and courteous majority leader, but in view of the fact that all the other amendments to the bill have been discussed at length, I find myself unable to agree with the Senator.

The PRESIDING OFFICER. To the unanimous-consent request, objection is heard.

Mr. LUCAS. Mr. President, I desire to make a point of order on the amendment as being legislation on an appropriation bill. The matter has been very well discussed, and I think the point of order speaks pretty well for itself.

The PRESIDING OFFICER. The Chair thinks we have been over the ground pretty well. The present occupant of the chair is prepared to rule in accordance with what he conceives to have been the philosophy of the previous occupant of the chair. Does the Senate wish the Chair to rule now, or do Senators wish to be heard. If Senators do not wish to be heard, the Chair will sustain the point of order.

Mr. KEM. Mr. President, I appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. KEM. Mr. President, I take it, in connection with the various points of order which have been made to the different amendments to the bill, the Senate has indicated its desire and intention of considering each of the amendments. I think every Member of the Senate is thoroughly advised as to the various arguments and contentions which may be made and which have been made with

reference to the construction and application of the rules of the Senate. I therefore address myself directly to the merits of the pending amendment.

I believe the principal contention which has been made against adoption of the amendment is that it would constitute an unwarranted interference in the internal affairs of one of the participating countries under the Marshall plan. At the time the amendment was proposed in the Senate on July 25, last, I gave a number of reasons why in my opinion such an argument is specious and wholly unsound. I suggested that in the first place it is in order for the Congress to place strings on the money of the American taxpayers. The money which the United States Government is allotting to foreign peoples is only available from taxes taken from the people of the United States. It is being appropriated for the purpose of rehabilitating the European economy. If Congress believes that any proposed allocations would further the nationalization or socialization of the industry or economy of any particular country in whole or in part and would therefore not accomplish the purpose of the act, and the purpose for which the money is intended, then Congress is clearly justified in declining to allocate such funds; indeed, it seems to me it is its clear duty to decline to do so.

I said in the second place that the whole Marshall plan is an interference on a gigantic scale with the internal affairs of the countries of western Europe who participate in the plan. The Economic Cooperation Act itself provides for bilateral agreements between the United States and the participating countries. These agreements contain many restrictions upon the use of our money. Among other things the law provides that such agreements shall make appropriate provision for participating countries to take financial and monetary measures necessary to stabilize their currencies. Administrator Hoffman stated in his testimony before the Appropriations Committee:

We have entered into these bilateral agreements * * * and in every case we have tried to establish those conditions which would permit recovery.

In other words, under the present ECA Act, Mr. Hoffman giveth, Mr. Hoffman taketh away; blessed be the name of Mr. Hoffman.

I also reminded the Senate that we refused Marshall-plan aid to Spain for the assigned reason that we do not approve its form of government. We interfered in the Italian elections in April 1948. The American Ambassador made campaign speeches in many parts of that country. The Attorney General of the United States addressed the Italian electorate over the radio the day before the election. I do not say this in criticism of what the Administration, or the Administrator, has done in these countries. That has been pretty fully discussed with respect to Spain, and any further discussion at this time would be inappropriate. I do say that it is a bit late piously and unctuously to proclaim that we have no intentions of interfering with the internal affairs of other countries.

Finally I pointed out that other countries do not hesitate to place restrictions on the money they loan to foreign countries. I gave as an example the British loan of \$40,000,000 to Greece in early 1946. Britain placed 10 drastic restrictions on the use of her money. Among other things, the Greek Government was required to establish a system of price control over rationed items.

I note that a number of Senators are present today who were not on the floor at the time of my original remarks in support of the amendment. I think they will be interested in what one of the members of the House of Commons had to say when the 1946 loan, going from Great Britain to Greece, was under discussion. Mr. Lipson, of Cheltenham, said in that debate:

We ought to give the matter further consideration before we indulge in acts of generosity of this kind. We call it a loan. That is a euphemism for a gift. It is quite obvious that if Greece goes on as she is doing she will not be able to repay this loan. * * * The people of this country ought to have more explanation before a sum of money like that is lent to another country, and ought to be assured that the money will be wisely used.

This argument, when made in the British House of Commons, prevailed. Should the Senate of the United States be any less diligent in protecting, or any less vigorous, in asserting the rights of the American taxpayers under similar circumstances?

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. KEM. I shall be glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. As I understand the Senator's amendment, it does not propose to interfere with anything that has been done or which has been already accomplished in the affected countries. All it seeks to do is to say, from now on, "If you are going to seek American aid you cannot use the money, or any part of it, to further any other socialization of industry." Is that correct?

Mr. KEM. The Senator from New Hampshire is quite correct. It has been put in this way, that under the amendment we do not propose to unscramble any eggs which have already gone into the pan.

Mr. BRIDGES. If this amendment prevails it would prevent the further scrambling of any eggs. In other words, we are in no way attempting to tell the participating countries which have already socialized a part of their industry that they must now desocialize it. We simply say to them, "If you receive this aid, in the future none of it may be used in the further socializing of industries, which is contradictory to the policy prevailing in America."

Mr. KEM. Exactly. We make no effort to undo what has already been done. We make no effort to prevent the participating countries from doing anything of that kind they may wish to do in the future. We simply say to them, "If you do engage in further experiments in socialization, you must go it alone. You cannot use the money of the American taxpayers, earned under a system of free

enterprise and personal initiative, for that purpose."

Mr. BRIDGES. I have simply tried to state the issue.

Mr. KEM. I thank the Senator.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. McMAHON. I should like to ask the Senator if he is familiar with the program stated at Wolverhampton, at which there was recently held a Conservative Party convention at which Mr. Churchill appeared, and there was issued something in the nature of a white paper reciting the Conservative Party policy. I was wondering whether the Senator was familiar with the position taken at that convention.

Mr. KEM. My knowledge of the program of the British Socialist Party and of the British Conservative Party is confined to summaries I have read in the American press. I will say to the Senator from Connecticut that as I understand, the British Conservative Party proposes to discontinue any further experiments in socialization. It does not propose to undertake to undo what has already been done. On the other hand, the British Socialist Party, which is now the party in control in Great Britain, has announced an extensive program of further socialization. It proposes to seize the chemical industry, the sugar refining industry, certain portions of the metal industry, two of the great industrial insurance companies, and various other portions of the British economy. I will say to the Senator from Connecticut that my understanding is that up to this time approximately one-fifth of the total British economy has been seized for purposes of socialization. In the case of France, across the Channel, approximately two-fifths of the total economy has been seized for that purpose.

Does that answer the question of the Senator from Connecticut?

Mr. McMAHON. It does.

Mr. KEM. Mr. President, I should like to look a little further into the argument that we should not place strings on Marshall plan aid.

When Mr. Hoffman testified before the Senate Committee on Appropriations, he stated:

The job of ECA is to contribute to the recovery of the entire economy of the participating countries. In doing this we have, I believe, a clear duty to protest any Government action that in any way slows down recovery, and thus reduces the total income produced by the economy and increases the burden of recovery on the United States.

His statement appears on page 13 of the hearings before the Senate Committee on Appropriations.

Mr. Hoffman, in his testimony before the Senate Committee on Appropriations, admitted that British experiments in socialism were slowing down recovery there. He said,

Socialism will slow down the (production) process.

This statement of Mr. Hoffman's may be found on page 105 of the hearings before the Senate Appropriations Committee.

Hon. Bernard M. Baruch, whose views have never been without respect in this

body, recently returned from a trip to Europe. Mr. Baruch had this to say concerning the British socialization program. He stated that the British "are spending so much time nationalizing and socializing that they are neglecting to use their energies to develop the country and increase its production."

Winston Churchill, in his speech at Wolverhampton July 23, 1949, the one to which the Senator from Connecticut referred, said that the Socialist Government in Britain had dissipated about \$8,000,000,000 in foreign subsidies, mostly from the United States. The Socialist policies of nationalization, he declared, have proved to be the Government's most expensive failure to date. Mr. Churchill called attention to the rising charges for nationalized gas and electricity and to the high losses being incurred by the nationalized coal board, by the British socialized railways, and by the publicly owned air lines.

In view of the statements made by Mr. Hoffman, by Mr. Baruch, and by Mr. Churchill, there is no room for doubt that experiments in socialism are slowing down recovery in Great Britain. In spite of Mr. Hoffman's statement that he has a clear duty to protest any Government action that in any way slows down recovery, so far as I have been able to find, and I made some effort to discover, he has not seen fit to lodge a protest against the action of the British Socialist Government nationalizing one basic industry after another.

Here is where the amendment now under discussion comes in. I believe it is now the clear duty of the Congress to protect the American taxpayer from the use of our money by Socialist governments in a way that is "slowing down recovery" in Europe. It may be said that Mr. Hoffman intends to get tough with the British. If so, when? He has been in office more than a year. He has seen the program of socialization go on apace. So far as the record shows he has never raised a weasel word against it. If we depend upon Mr. Hoffman we may find that he "has locked the door after the horse is stolen." In other words, that he has delayed any action until "the back of free enterprise is broken in Britain forever."

A GLARING INCONSISTENCY IN THE CASE OF SPAIN

Mr. President, it has been brought out in the debate in the Senate on the pending bill that Spain has made efforts to obtain the advantages of the Marshall plan, and also to obtain a loan from the United States independent of the ECA program. She has thus far been unsuccessful. Why is it that we have refused to make a loan to Spain? We do not have to speculate about that; we have the statement of the Secretary of State, Hon. Dean Acheson, recently given at a news conference. According to an article appearing in the Washington Post of July 14, 1949, Mr. Acheson stated that he was flatly opposed to lending or giving Spain any American funds until Spain made certain economic reforms suggested by the United States. I invite attention particularly to that language, "until Spain made certain economic reforms suggested by the United States." Will it be contended by any Senator that that

is not interfering in the internal economy of another country?

Again, I do not offer this as criticism of the Secretary's action. That is for another time. I do say that Mr. Acheson's remarks are entirely inconsistent with the administration's opposition to the proposed amendment, on the grounds that it would constitute an interference in the internal affairs of another country.

ANOTHER INCONSISTENCY IN THE CASE OF MAP

The President, as we all well knew, recently submitted to the Congress a new, far-reaching program of military aid to foreign countries—MAP, I believe is the term used to designate this proposal. Mr. Truman, in his message to the Congress, made it clear that he wants authority to distribute arms as he sees fit—to any place on the globe. I was particularly interested in one statement contained in Mr. Truman's message. I think it will be of interest to those who are asking themselves whether the pending amendment would constitute an unwarranted interference in the internal affairs of the Marshall plan participating countries, and at the same time desire that the United States maintain a consistent position in its policy. Mr. Truman's message reads in part:

The President should be authorized to terminate our aid at any time. Aid will be terminated in the event that a recipient acts in a manner inconsistent with the policies and purposes of the program, or with its obligations under the Charter of the United Nations.

In other words, the President asks Congress for authority to say to MAP countries: either you adhere to the policies and purposes of this military-aid program, or such aid will be shut off.

Yet the administration objects to Congress saying to the Marshall plan participating countries, "If you use our money to continue experiments in socialism"—which are certainly not in accord with the economy of the United States, and the prevailing opinion of the United States—"we will cut off aid." It is a little difficult to understand why sauce for the goose is not sauce for the gander.

We hear it frequently said on this floor that the policy and purpose of the Marshall plan is to promote economic recovery in western Europe. Experiments in socialism there are slowing down recovery, and are therefore inconsistent with the policy and purpose of the program.

Mr. President, I raise the question in the name of consistency: Can the administration on the one hand say with sanctimonious pity, "Oh, no; you musn't adopt this amendment; it would interfere with the internal affairs of the participating countries"? Yet, on the other hand, the administration wants authority to terminate military aid if a recipient acts in a manner inconsistent with the policies and purposes of the MAP program.

THE AFFAIRS OF THE PARTICIPATING COUNTRIES BECOME OUR CONCERN WHEN THESE COUNTRIES SEEK OUR ASSISTANCE

Mr. President, the amendment I have proposed, and in which the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Nebraska [Mr. WHERRY] have joined me, gives no direction to any foreign government. Clearly that would be

improper and would be something we should not do. Under the amendment, the participating countries would be entirely free to go on with their nationalization and socialization programs until they had achieved 100 percent of their respective objectives. There is no compulsion in this amendment. The option is theirs at all times to decline to accept the funds from the American Government, funds which are provided by the American taxpayer.

As a matter of fact, Mr. President, I think it is fair to say that we of the United States ardently desire to be relieved of the responsibility for the affairs of other countries. But the point is this: The countries of western Europe make their affairs our affairs when they come to us for assistance.

The New York World Telegram recently published a most illuminating article by its accomplished financial editor, Ralph Hendershot. He said:

When a corporation runs into financial difficulty and seeks credit from a bank, it usually is prepared to accept the terms of the bank in order to secure the loan. And these terms at times may be rather harsh. If the banker knows his business, however, such loan provisions usually work out to the benefit of the borrower. * * *

The banker does not go about the country butting into the affairs of corporations or individuals. But when the corporation or the individual goes to the banker for a loan, he knows in advance that he must put his record on the line. The banker has no other way of determining whether to accept the risk. And if certain changes are necessary to justify the loan, the borrower must be prepared to make them or sweat it out in his own way.

Some of the nations in Europe—

Mr. Hendershot wrote—

either have accepted socialism formally or under some other name. This means that their industries have been taken over by their governments. Our experience has been that serious inefficiencies creep in when this happens, with the result that money is wasted.

Should we as a nation tax our people to make good the losses of another nation under such a set-up? Should we weaken our own economy to support another which shows little promise of standing on its own feet and which was created to bring a new group of politicians into power? Are the affairs of such a nation no affairs of ours under the circumstances?

Selfishness does not enter into the picture when the banker insists that a borrower conduct his business on sound principles. Nor is that an invasion of the rights of the borrower to live his life any way he pleases. It is only a common-sense approach to a problem which should be solved in the interest of all concerned.

The Saturday Evening Post for August 6, 1949, the current issue, contains a timely and informative editorial entitled "British Socialism Plans the Nation Toward Disaster." I shall not take the time of the Senate to read the full editorial, but I shall read certain excerpts from it:

It is a mistake to pretend that the Marshall plan is more than a palliative adopted to tide Europe, and especially England, over a period of transition. What has been needed in England is a vast amount of private investment in all sorts of industries and enterprises. But England herself, under Socialist leadership, has done everything conceivable to destroy the confidence of American investors in the security of the British economy.

British investors, too, have lost confidence, and the recent loss of Britain's gold and dollar reserves reflects a flight of capital out of England which bureaucratic restriction has been unable to prevent. An overambitious Socialist program helps price British exports out of the market. * * *

British Socialists, naturally enough, seek to put the blame for their plight on the uncontrolled economy of the United States without asking themselves whether a controlled American economy could have extended to Britain more aid than has so far been supplied. * * *

The real issue is whether a controlled economy can compete with a relatively free economy. By their fruits ye shall know them.

Things would be a lot easier in 1949 if we had been less squeamish in 1947 about setting down a few reasonable stipulations as the price of our aid. We didn't have to be ruthless, just realistic—like an Englishman lending money to foreigners. We could * * * have made it plain that American investment should be on a capitalist-profit basis with reasonable exemption from the interference of the planners. Conceivably also, we might have done more to discourage Britain's imitation of Dr. Schacht's trade and currency operations. Trade is difficult when it is necessary to use three kinds of money. At any rate, these are a few of the conditions an American Government might attach to loans of the taxpayers' money to foreign countries, if we ourselves were less bogged down by devotion to bureaucratic messing, planning, and most of the National Socialist Katzenjammer that is itching the British.

WE HAVE ALREADY DELIBERATELY INTERFERED IN THE INTERNAL POLITICS OF GREAT BRITAIN

Mr. President, Great Britain received \$1,239,000,000 in Marshall-plan aid last year. This was the lion's share, to which she felt herself entitled, no doubt. Mr. Hoffman proposed to allocate to Britain an additional \$940,000,000 of ECA funds during the next year. Britain's Socialist government, however, has served notice to the OEEC that she wants an even larger share of the Marshall-plan pie—nearly \$600,000,000 more, in fact, than Mr. Hoffman has suggested she should receive, or a total of over \$1,500,000,000, which might seem to some observers to be the share of at least a couple of lions.

Marshall-plan aid, American taxpayers' dollars, has been used by the British Socialist Government to carry out its program of socialization. If it had not been for the Marshall plan, this nationalization program would have brought a standard of living to the British people they would not have been willing to accept. The Socialist politicians have been able to say to their people: "You get more money for less work than ever before in the history of the island." And so the Marshall-plan funds, in Great Britain at least, have in effect been used as a slush fund to keep the British Socialist politicians in power.

We have Winston Churchill's word for it that: "The Socialist Government and Socialist policy are living on the United States from month to month and from hand to mouth."

The London Economist recently reminded the Socialist Government that it would have been out of office long ago if American capitalism had not been willing to subsidize it.

Administrator Hoffman has permitted the use of Marshall-plan dollars to prop up the British Socialist Government and keep it in power. In the thinking of

many thoughtful Americans, this constitutes a deliberate interference on the part of our administration in Britain's internal politics.

OUR AID IS ALREADY CONDITIONED UPON THE PARTICIPATING COUNTRIES MAINTAINING A FORM OF GOVERNMENT WE LIKE

Mr. President, it has been made abundantly clear by Administrator Hoffman and other administration leaders that if the governments of any of the Marshall-plan countries go communistic, ECA aid to those countries would be cut off. It does not seem to occur to any of them that that would be an unwarranted interference in the internal affairs of that country.

During the hearings on the ECA appropriation bill before the Senate Committee on Appropriations, the following colloquy occurred between Administrator Hoffman and me:

Senator KEM. I want to ask you, What would be your position should one of the participating countries embrace communism instead of socialism?

Mr. HOFFMAN. I think that under the law, or at least the legislative history, it is very clear that any country that embraced communism, all aid would cease for it which has been the case in China.

Mr. President, I gather from that that there would apparently be no hesitancy on the part of the administration to cut off aid to any country that goes communistic. In other words, a condition of our aid is that the participating countries retain a form of government of which we approved. Why should we approve one branch of Marxism, the branch which has been developed in England and France, and disapprove another branch of Marxism, which happens to be the branch which has been developed in Russia?

Then why all the hullabaloo about the pending amendment constituting an interference in the internal affairs of western Europe?

The Socialist-Labor Government of Great Britain has been described by the widely read columnist George Rothwell Brown, as a prep school for communism. Mr. Churchill has described the Socialists, in language typically Churchillian, as "the handmaids and heralds of communism, who prepare the way at every stage and every step for the future advance of communism."

More recently, in his speech at Wolverhampton, Mr. Churchill discussed the great battle made by Socialists of their quarrel with communism. "There's no real difference," he asserted, "between a full application of the Socialist system and communism. Both are fatal to liberty, as we have known it, to our prosperity and happiness and to what we have called the British way of life."

THE PENDING AMENDMENT IS NOT WITHOUT SUPPORT IN GREAT BRITAIN

Mr. President, I have received a considerable number of letters from citizens of Britain concerning the pending amendment. All of them are heartily in favor of it.

A Londoner wrote me under date of July 15, 1949. He said:

Nationalization is going to wreck the economy of this country if carried further. Our so-called politicians are simply using it as

a means to give their pals good jobs in industries which they do not understand. Everything they touch loses money, and we poor taxpayers have to suffer.

Then my correspondent made this significant statement which it seems to me the American Congress would do well to take to heart:

You are paying the piper, and you have a perfect right to call the tune.

Mr. President, the hour is late, and I am not going to ask the Senate to bear with me while I read any more letters, with one exception.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. WHERRY. The majority leader is not present. I do not know how long he intended to keep the Senate in session. My understanding is that a recess will probably be taken about a quarter to six. I do not wish to inquire now whether or not the Senator is ready to have a recess taken, but I should like to ask the distinguished Senator how long he thinks his speech will take?

Mr. KEM. It depends on the number of questions asked me.

Mr. WHERRY. My understanding is that the Senate will take a recess until Monday, if and when the acting majority leader is ready to take a recess. I suggest to the distinguished Senator that he continue his speech on Monday. Would that be agreeable to the Senator from Missouri?

Mr. KEM. That would be perfectly agreeable to me.

Mr. WHERRY. I think the intention is to continue for a while this evening, and take a recess at about a quarter to six. Would that be agreeable to the Senator?

Mr. KEM. That would be entirely agreeable.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. Word has come to me that Sir Stafford Cripps and Mr. Bevin are both coming over to join in the forthcoming Washington Conference on the sterling crisis affecting Great Britain. It is rumored that Mr. Acheson, Secretary of State, is to preside at the conference. I wonder if the Senator knows why the Secretary of State should be contemplating presiding when we have a Secretary of the Treasury in Washington who has been in Europe and England and has consulted on all these problems. He is our expert on monetary matters. Why would not the Secretary of the Treasury be the logical man to confer on this problem, rather than the Secretary of State? Has the Senator any information on that subject?

Mr. KEM. Anything I might say in that connection would be more or less gratuitous. I think opinion could be found in Washington to the effect that the Secretary of State speaks more nearly the language of Mr. Bevin and Sir Stafford Cripps than does the Secretary of the Treasury. Perhaps they would find themselves more in accord with Mr. Acheson than with Mr. Snyder.

Mr. BRIDGES. If it be true, as rumored, that the Secretary of State is to

preside and that the Secretary of the Treasury, Mr. Snyder, a very able gentleman who has been over there and has studied the problem and knows it first hand, is to be passed over and supplanted by the Secretary of State, I wonder if the Secretary of State is planning to take over the functions of the Treasury Department. It begins to look that way.

Mr. KEM. It seems to me there is some reason to believe that. I may say in passing that I was told by a distinguished Member of this body that when Mr. Bevin was here on his last trip he had a conversation with him, and Mr. Bevin assured him that the Socialist Party was not prepared to go ahead with its program with quite the vigor with which it had been previously pursued. A few days later I picked up the newspaper and read of the Blackpool convention, at which a very complete and detailed program had been adopted by acclamation by the Socialist Party of Great Britain. I hope that a platform in Great Britain is not merely campaign oratory.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. BRIDGES. I have a very high respect for Mr. Snyder as Secretary of the Treasury. I know that he has been criticized for various things, but by and large he is a pretty sound man who is endeavoring to do a good job. He has been in Europe and has been examining into this whole problem. As Secretary of the Treasury of our own country, he should know as much about monetary matters as anyone else. Certainly he should have competent advice available to him. If we are going to have a conference with the British on the problem of the pound sterling and if the British representatives are coming here to confer, I should think the Secretary of the Treasury, Mr. Snyder, would be the one to preside over that conference and work out that matter. For the life of me, I do not see why Mr. Snyder should be supplanted by the Secretary of State, Mr. Acheson, in connection with a matter involving monetary affairs.

I think the presentation the Senator from Missouri is making is quite pertinent. Perhaps the reports that Mr. Acheson will preside at the conference are not correct, although certainly those are the reports which emanate from down town.

I present that matter as an interesting sidelight to the discussion the distinguished Senator from Missouri is making in regard to his amendment.

Mr. KEM. Mr. President, I think the point is very interesting, and I am glad the distinguished Senator from New Hampshire has made it.

I may say in passing that the distinguished Secretary of the Treasury is a citizen of the State of which I have the honor to be one of the representatives here in the Senate, and he has the regard of his friends and neighbors at home, of which the junior Senator from Missouri is one.

Mr. President, a lady from Bristol has written me:

I am a working woman, a widow of 60. Under nationalization the Government has created a great army of privileged people. None of these Socialists live as we poor crea-

tures do. They are beggars on horseback riding the country to the devil. The more aid you give us the more socialism we shall get.

Mr. President, it is in the interest of the people of western Europe, as well as in the interest of the people of the United States, for Congress to inform those governments that no further aid will be forthcoming if additional industries are socialized. This is what the Senate is asked to do in the pending amendment.

Mr. President, I ask unanimous consent that I may be permitted to have the floor when the Senate convenes next Monday, to continue my remarks on this subject and to answer any questions which any Member of the Senate may be inclined to put to me at that time.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Is there objection to the unanimous-consent request of the Senator from Missouri? The Chair hears none, and it is so ordered.

ORDER FOR CALL OF THE CALENDAR

Mr. MYERS. Mr. President, I ask unanimous consent that following the disposition of the pending business, the ECA appropriation bill, the calendar be called for the consideration of bills to which there is no objection, beginning with Calendar No. 669. I also ask unanimous consent that the following bills be included in the call of the calendar: Calendar No. 302, House bill 997; Calendar No. 378, Senate bill 1290; Calendar No. 462, Senate bill 689; Calendar No. 496, House bill 1694; and Calendar No. 590, House bill 3825. The bills to which I have just referred were those which were placed at the foot of the calendar, upon request, at the time of the last call of the calendar, but were temporarily passed over with the expectation of returning to them before the call of the calendar was concluded the last time.

Mr. WHERRY. Mr. President, reserving the right to object, I do so only for the purpose of being able to state that I am not sure that the RECORD shows that all those measures were placed at the foot of the calendar. One or two of them, I think, were merely requested to be passed over until some Senators could look into them more thoroughly than they had. But it seems to me that makes no difference.

I am in complete accord, in any event, with the suggestion of the distinguished acting majority leader, because all Senators will still have their right to object preserved, in the event they wish to object to the consideration of any of the bills on Monday. But I simply wish the RECORD to show that not all the bills mentioned were passed over and ordered to be placed at the foot of the calendar.

The PRESIDING OFFICER. Will the Senator from Pennsylvania indicate where he requests that the call of the calendar commence?

Mr. MYERS. With Calendar No. 669, House bill 1892.

Mr. WHERRY. Mr. President, that is where we left off with the consideration of bills to which there was no objection, at the time of the last call of the calendar. But in addition to that, as I understand the request, the bills just listed by

the Senator from Pennsylvania are to be included.

Mr. MYERS. Yes; that is my request.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. MYERS. I am happy to yield.

Mr. KEM. Would the Senator from Pennsylvania have any objection to including in the list of bills Calendar No. 319, Senate bill 1054, a bill for the relief of the Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.? At the time when that bill was reached on the previous call of the calendar its consideration was objected to by the senior Senator from Missouri [Mr. DONNELL], who said he would like to have an opportunity to look into it. He has done so, and has withdrawn his objection. So I should like to have the bill put back on the calendar, and I should like to have consent that it be included at the forthcoming call of the calendar.

Mr. MYERS. I shall be very happy to include the bill the junior Senator from Missouri has just mentioned with the five bills previous to No. 669 on the calendar which I have asked to have included in the next call of the calendar.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. MYERS. I am happy to yield.

Mr. WHERRY. It is my understanding, however, that the call of the calendar will not come until after the ECA appropriation bill has been disposed of.

Mr. MYERS. That is my request.

Mr. WHERRY. Then, Mr. President, I should like to make another unanimous-consent request, namely—

The PRESIDING OFFICER. Is the Senator from Nebraska about to propose an amendment to the request already made by the Senator from Pennsylvania?

Mr. WHERRY. No; I shall propose another one.

The PRESIDING OFFICER. May the Chair in his capacity as Senator ask that another bill be included in the list. The Chair does not see the calendar number, but it is a bill for the relief of Dr. Wilson. It is a bill to which there is no objection.

The Senator from Delaware [Mr. WILLIAMS] objected to its consideration at the time of the last call of the calendar, but since that time has stated to the Chair that he would withdraw his objection.

The bill is a relief bill, coming from the House of Representatives. It is for the relief of Dr. Wilson.

Mr. MYERS. Mr. President, I shall include the bill to which the senior Senator from Georgia has just referred in my unanimous-consent request, among the bills which are to be considered during the next call of the calendar, and are listed on the calendar prior to Calendar No. 669.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM—BASING-POINT BILL, DEPARTMENT OF INTERIOR APPROPRIATIONS

Mr. WHERRY. Mr. President, I ask unanimous consent that after the call of

the calendar has been had—and I make this request after consulting with the Senator from Louisiana [Mr. LONG], and I am satisfied he has consulted with the acting majority leader—the motion for the reconsideration of Senate bill 1008, the bill to provide a 2-year moratorium with respect to the application of certain antitrust laws to individual, good-faith delivered-price systems and freight-absorption practices, which is on the legislative calendar, be made the order of business, following the completion of the call of the bills and other measures on the calendar.

Mr. MYERS. Mr. President, as the author of Senate bill 1008, I am quite anxious to have disposition made of that measure. The bill passed the Senate. However, a similar bill in the House of Representatives was amended.

The question with which we are faced is whether the Senate should agree to a conference on the bill or whether the Senate should accept the amendments of the House of Representatives. That bill is the basing-point bill. As the author of the Senate bill, I am quite anxious that we make disposition of that measure just as soon and just as quickly as possible.

Therefore I unite with the minority leader in the request; I join in his unanimous-consent request that the motion for the reconsideration of that measure be considered immediately upon the conclusion of the call of the calendar.

Mr. WHERRY. Let me inquire of the distinguished Senator from Pennsylvania if it is correct that he has consulted with the Senator from Louisiana [Mr. LONG] and that it is agreeable to him that that be done.

Mr. MYERS. The Senator from Louisiana previously gave notice that he intended to call up the motion for the reconsideration of that bill on Monday, but he has assured me that he will agree that it be delayed until we have completed action on the ECA appropriation bill and have completed the call of the Calendar.

Therefore, I am quite happy to join in the unanimous-consent request of the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. HAYDEN. Mr. President, reserving the right to object, I should like to inquire where this will leave the Interior Department appropriation bill.

Mr. WHERRY. It will leave it to come up, I suppose, immediately thereafter.

The unfinished business is the minimum-wage bill. My understanding from the distinguished majority leader was that he wanted to make the Interior Department appropriation bill the next order of business. I do not think it will take too long to handle these matters. I know one Senator wishes to make a speech on the basing-point bill, and possibly there are one or two other speeches to be made, and, of course, Senators have a right to do so. But the motion to reconsider was entered on July 26. So all there is to it is the suggestion of an amendment, which may be worked out completely before the motion comes up for hearing. A conference committee

can then be appointed and proceed with their work.

The PRESIDING OFFICER. For the guidance of the clerks at the desk, may the Chair inquire whether the bills that were specifically enumerated and which occur on the calendar before the number at which the calendar call properly starts are to be placed in advance of the calendar; that is, are they to be taken up before the calendar is reached under the unanimous-consent agreement?

Mr. MYERS. I think that might very well be done so that the bills enumerated may precede Calendar Order 669, which I understand is the point at which we begin the calendar. I think the bills enumerated might first be considered and then the calendar called beginning with Order 669.

The PRESIDING OFFICER. That would expedite matters.

Mr. WHERRY. I join in that amendment to the unanimous-consent request, if it can be included in the request. Furthermore, I should like to suggest to the acting majority leader that the Senate proceed consecutively, starting with the first bill in order and going through the calendar, before any Member is permitted to return to any bill for consideration. I think that is the orderly way to proceed. It will avoid confusion. In other words, if a request is made to return to a bill, my suggestion is it should not be permitted until the call of the calendar has been completed.

Mr. MYERS. I am quite willing to accept that amendment, with the understanding that those bills which have been specifically mentioned, to which we shall return, shall be considered first, and then the calendar be called beginning with Order 669.

Mr. WHERRY. I join in that request.

The PRESIDING OFFICER. Without objection, it is so ordered. That information will assist the clerks at the desk in making their arrangements.

RECESS TO MONDAY

Mr. MYERS. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 43 minutes p. m.) the Senate took a recess until Monday, August 8, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 5 (legislative day of June 2), 1949:

DEPARTMENT OF THE ARMY

Tracy S. Voorhees, of New York, to be Under Secretary of the Army.

Archibald S. Alexander, of New Jersey, to be Assistant Secretary of the Army.

UNITED STATES MARSHAL

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire. He is now serving in this office under an appointment which expired July 28, 1949.

IN THE COAST GUARD

The following officer of the United States Coast Guard Reserve to be commissioned in the United States Coast Guard:

To be lieutenant (junior grade)

William H. E. Schroeder



United States
of America

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WASHINGTON, MONDAY, AUGUST 8, 1949

No. 143

Senate

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, may this be a day of unclouded vision as we enter upon the high and holy task of discharging our duties toward Thee and our fellow men.

Clarify our minds with divine wisdom and inspire us with loyalty and integrity of soul.

Grant that in times of crisis and confusion we may know the secret of confident living and courageous leadership by committing ourselves to the guidance of Thy spirit.

In Christ's name we pray. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 5, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 8, 1949, the President had approved and signed the following acts:

S. 1184. An act to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes;

S. 1459. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

S. 1505. An act to amend the act entitled "An act to authorize the construction of experimental submarines, and for other purposes," approved May 16, 1947; and

S. 2030. An act to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 1758) to amend the Natural Gas Act, approved June 21, 1938, as amended, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncito Navajo group in New Mexico, and for other purposes; and

S. 1918. An act to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding \$3,000.

LEAVE OF ABSENCE

On request of Mr. CHAPMAN, Mr. WITHERS was granted leave of absence from the sessions of the Senate for the next few days.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, before the roll is called, in order to clarify the parliamentary situation, may I ask the distinguished Vice President if the junior Senator from Missouri [Mr. KEM] does not have the floor? The Senator from Missouri was speaking Friday afternoon when the recess was taken, and it was my understanding that there was unanimous consent that he should have the floor this morning.

The VICE PRESIDENT. The Senator from Missouri has the floor, according to the understanding.

Mr. WHERRY. That is correct.

The VICE PRESIDENT. The Senator from Illinois has suggested the absence of a quorum, and the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Eastland	Holland
Baldwin	Eaton	Humphrey
Brewster	Ellender	Hunt
Butler	Ferguson	Ives
Byrd	Flanders	Jenner
Cain	Frear	Johnson, Colo.
Capehart	Fulbright	Johnson, Tex.
Chapman	George	Johnston, S. C.
Chavez	Gillette	Kefauver
Connally	Graham	Kem
Cordon	Gurney	Kerr
Donnell	Hayden	Kilgore
Douglas	Hendrickson	Knowland
Downey	Hill	Langer
Dulles	Hoey	Lodge

Long	Millikin	Sparkman
Lucas	Morse	Stennis
McCarran	Mundt	Taylor
McCarthy	Murray	Thomas, Okla.
McClellan	Neely	Thomas, Utah
McFarland	O'Connor	Thye
McGrath	O'Mahoney	Vandenberg
McKellar	Pepper	Watkins
McMahon	Reed	Wherry
Magnuson	Robertson	Wiley
Malone	Russell	Williams
Martin	Saltonstall	Young
Maybank	Smith, Maine	
Miller	Smith, N. J.	

Mr. LUCAS. I announce that the Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPLE], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Ohio [Mr. BRICKER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

The VICE PRESIDENT. The question before the Senate is the appeal of the Senator from Missouri [Mr. KEM] from the decision of the Chair holding his amendment out of order. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Senator from Missouri has the floor.

JOINT COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GEORGE, the Foreign Relations Committee and the Armed Services Committee were granted permission to hold a joint meeting this afternoon.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Members of the Senate to present petitions and memorials, introduce bills, joint and other resolutions, and place in the RECORD routine matters, as though the Senate were in the morning hour, and without debate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Corn Belt Livestock Feeders Association, in convention at Des Moines, Iowa, relating to the Erannan agricultural program; to the Committee on Agriculture and Forestry.

A letter in the nature of a petition from Allan H. Ezell, Representative, Third District, House of Representatives, Territorial Legislature, Iolani Palace, Honolulu, T. H., relating to statehood for Hawaii (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A resolution adopted by the Honolulu County (Hawaii) Dental Assistants Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

The memorial of Theresa Simons, and sundry other citizens of the State of New York, remonstrating against the enactment of the so-called Public School Assistance Act of 1949; to the Committee on Labor and Public Welfare.

A telegram in the nature of a petition from Jerry Voorhis, executive secretary, Cooperative League and Cooperative Health Federation of America, Chicago, Ill., favoring the adoption of Reorganization Plan No. 1, of 1949, establishing a Department of Welfare; ordered to lie on the table.

A letter in the nature of a memorial from Carl H. Fortune, M. D., president Fayette County (Ky.) Medical Society, remonstrating against the adoption of Reorganization Plan No. 1 of 1949, establishing a Department of Welfare; ordered to lie on the table.

A letter in the nature of a petition from Bruch Underwood, M. D., secretary, State Board of Health of Kentucky and the Kentucky State Medical Association, Louisville, Ky., relating to the selection of the Federal Security Agency being made the Department of Welfare as proposed under the Reorganization Plan No. 1 of 1949; ordered to lie on the table.

By Mr. TYDINGS:

A resolution adopted by the St. Mary's County (Md.) Medical Society, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Memorials of sundry citizens of the State of Maryland, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Petitions of sundry members and affiliates of the Baltimore (Md.) Section of the Society for Experimental Biology and Medicine, citizens of the State of Maryland, praying for the enactment of Senate bill 1703, to provide that unclaimed animals lawfully impounded in the District of Columbia be made available for scientific purposes to educational, scientific, and governmental institutions licensed under this act; to the Committee on the District of Columbia.

Memorials of sundry citizens of the State of Maryland, remonstrating against the enactment of the so-called Barden bill, providing Federal aid to education; to the Committee on Labor and Public Welfare.

Petitions of sundry citizens of Baltimore, Md., praying for the enactment of House bill 2428, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

Petitions of sundry citizens of Baltimore, Md., relating to economy in Federal governmental expenditures as outlined in the report of the Hoover Commission; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Maryland-National Capital Park and Planning Commission, Silver Spring, Md., favoring the enactment of Senate bill 1931, to amend the act of June 6, 1924, as amended, relating to the National Capital Park and Planning Commission; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Labor and Public Welfare:

S. 1439. A bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; without amendment (Rept. No. 850).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 486. A bill for the relief of Song Kwan Lee also known as Paul Molina; without amendment (Rept. No. 854);

S. 1447. A bill for the relief of John M. Hart; without amendment (Rept. No. 855);

H. R. 632. A bill for the relief of John E. Burns; without amendment (Rept. No. 856);

H. R. 734. A bill for the relief of Curtis R. Enos; with an amendment (Rept. No. 867);

H. R. 1065. A bill for the relief of the estate of James Lander Thomas; without amendment (Rept. No. 857);

H. R. 1620. A bill for the relief of Robert E. Bridge and Leslie E. Ensign; with amendments (Rept. No. 870);

H. R. 1631. A bill for the relief of John J. O'Mara; without amendment (Rept. No. 858);

H. R. 1701. A bill for the relief of Mrs. Vesta Meinn and Mrs. Edna Williams; without amendment (Rept. No. 859);

H. R. 1792. A bill for the relief of Charles E. Ader; without amendment (Rept. No. 860);

H. R. 1979. A bill for the relief of Soo Hoo Yet Tuck; without amendment (Rept. No. 861);

H. R. 2628. A bill for the relief of Auldon Albert Aiken; without amendment (Rept. No. 862);

H. R. 3618. A bill for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll; with an amendment (Rept. No. 868);

H. R. 3768. A bill for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido; without amendment (Rept. No. 863);

H. R. 3803. A bill for the relief of Mrs. Mary L. W. Dawson; without amendment (Rept. No. 854);

H. R. 3837. A bill for the relief of Annie Balaz; without amendment (Rept. No. 865);

H. R. 4306. A bill for the relief of Zora B. Vulich; with an amendment (Rept. No. 869); and

H. R. 5160. A bill for the relief of Mrs. Giustina Schiano Lomoriello; without amendment (Rept. No. 866).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 147. Resolution disapproving Reorganization Plan No. 1 of 1949; without amendment (Rept. No. 851); and

S. Res. 151. Resolution disapproving Reorganization Plan No. 2 of 1949; without amendment (Rept. No. 852).

By Mr. LONG, from the Committee on Post Office and Civil Service:

S. 1772. A bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes with amendments (Rept. No. 871).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 3383. A bill to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight-saving time; without amendment (Rept. No. 873); and

H. R. 3826. A bill to amend the act of January 16, 1883, an act to regulate and improve the civil service of the United States; without amendment (Rept. No. 874).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 4943. A bill to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes; without amendment (Rept. No. 875); and

H. R. 5207. A bill to amend section 50 of the Organic Act of Puerto Rico; without amendment (Rept. No. 876).

By Mr. MAGNUSON, from the Committee on the Judiciary:

S. 738. A bill for the relief of Earl B. Hochwalt; with an amendment (Rept. No. 877); and

S. 1801. A bill for the relief of Mrs. Effie S. Campbell; without amendment (Rept. No. 878).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, and I submit a report (No. 853) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 62) favoring the suspension of deportation of certain aliens, was ordered to be placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

A-6201169, Abadi, Simon Ezra.

A-1029369, Abdullah, Abdi, or Akbar Mohamed or Abdi Mohamed.

A-6245562, Agarwal, Friederecka or Frederecka Beatrice Maria nee Saela or Freda Moyea.

A-2329081, Aleci, Giuseppe.

A-3007951, Ali, Tahir or Tahir Ullah or Tiah Ali or Tiah Ullah.

A-5356203, Andreadis, Stamatios or Stamatios John Andreadis or Steve Andrews.

A-5479649, Arkell, Marjorie Elaine.

A-3260444, Avgoustis, Nicholas Stelianos or Nicholas Stelianou Avgoustis.

A-5421256, Baer, Hans.

A-3722049, Baros, Nicholas or Nicholas Barus.

A-5262324, Bavas, Athanasios (alias Thomas Bavas).

the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 83, line 19, after the word "Corps" insert the following: ", Naval Reserve, or Marine Corps Reserve."

Mr. THOMAS of Oklahoma. In accordance with rule XL of the Standing Rules of the Senate I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

Page 89, line 5, strike out section 622 and insert a new section, as follows:

"SEC. 622. (a) All negotiated contracts in excess of \$1,000 entered into during the fiscal year 1950 by or on behalf of the Department of the Army, the Department of the Navy, or the Department of the Air Force, and all subcontracts thereunder in excess of \$1,000, are hereby made subject to the Renegotiation Act of 1948 in the same manner and to the same extent as if such contracts and subcontracts were required by such act to contain the renegotiation article prescribed in subsection (a) of such act. Each contract and subcontract made subject to the Renegotiation Act of 1948 by this section shall contain an article stating that it is subject to the Renegotiation Act of 1949. In determining whether the amounts received or accrued to a contractor or subcontractor during his fiscal year from contracts and subcontracts subject to the Renegotiation Act of 1948 amount in the aggregate to \$100,000, receipts or accruals from contracts and subcontracts made subject to such act by this section shall be added to receipts or accruals from all other contracts and subcontracts subject to such act.

"(b) Notwithstanding any agreement to the contrary, the profit-limitation provisions of the act of March 27, 1934 (48 Stat. 503, 505), as amended and supplemented, shall not apply to any contract or subcontract which is subject to the Renegotiation Act of 1948."

Mr. THOMAS of Oklahoma also submitted six amendments intended to be proposed by him to House bill 4146, making appropriations for the National Security Council, the National Security Resources Board and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

(For texts of amendments referred to, see the foregoing notices.)

TRIBUTE TO HON. ARTHUR CAPPER BY F. W. BRINKERHOFF

[Mr. REED asked and obtained leave to have printed in the RECORD an editorial in tribute to former Senator Capper, by F. W. Brinkerhoff, of the Pittsburg (Kans.) Sun, which appears in the Appendix.]

PLANNING FOR RURAL PROGRAM NEEDS—ADDRESS BY ARTHUR C. PAGE

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address entitled "Planning for Rural Program Needs,"

delivered by Arthur C. Page over radio station WLS, before the First National Association of Broadcasters Program Clinic, at Northwestern University, Chicago, Ill., on June 28, 1949, which appears in the Appendix.]

SUBSIDIZATION OF SOCIALIST LABOR GOVERNMENT IN GREAT BRITAIN—ARTICLE BY ELIZUR YALE SMITH

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Stop! Look! and Listen!" written by Elizur Yale Smith, and published in the New Bedford (Mass.) Standard-Times of July 30, 1949, which appears in the Appendix.]

TELEVISION SETS IN OFFICES OF ADMIRALS—ARTICLE FROM PHILADELPHIA INQUIRER

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD an excerpt from an article entitled "Washington Background," edited by John C. O'Brien, and published in the Philadelphia Inquirer of August 1, 1949, which appears in the Appendix.]

NEW SUPER LIBERTY LEAGUE—ARTICLE FROM IN FACT

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article entitled "Inner Circle of Native Fascism Plans New Super Liberty League; 'Leak' Spoils Secret Conclave," published in In Fact for July 11, 1949, which appears in the Appendix.]

DEPARTMENT OF WELFARE—EDITORIAL FROM NEW YORK HERALD TRIBUNE ON REORGANIZATION PLAN NO. 1

[Mr. HUNT asked and obtained leave to have printed in the RECORD an editorial entitled "Suspicion Over Plan No. 1," published in the New York Herald Tribune of August 5, 1949, which appears in the Appendix.]

CONGRESS AND THE ARMY ENGINEERS—ARTICLE BY ROBERT DE ROOS AND ARTHUR A. MAASS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "The Lobby That Can't Be Licked—Congress and the Army Engineers," by Robert de Roos and Arthur A. Maass, from Harpers magazine, which appears in the Appendix.]

THE CLARK AND McGRATH APPOINTMENTS—EDITORIAL FROM THE NASHVILLE TENNESSEAN

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Friends—Why Not?" published in the Nashville Tennessean of August 3, 1949, which appears in the Appendix.]

REPEAL OF WAR EXCISE TAXES—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Repeal the War Excise Taxes," published in the New York Herald Tribune of August 1, 1949, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS PROGRAM

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Renew Without Delay This Vital Program," published in the Atlanta Journal of July 3, 1949, which appears in the Appendix.]

ELIMINATION OF CERTAIN PREMIUM PAYMENTS IN PURCHASE OF GOVERNMENT ROYALTY OIL

The VICE PRESIDENT laid before the Senate the amendments of the House of

Representatives to the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), which were, to strike out all after the enacting clause and insert:

That where, under any existing contract entered into pursuant to the first proviso in the second paragraph of section 36 of the Mineral Lands Leasing Act of February 25, 1920, as amended (30 U. S. C., sec. 192), any refinery is required to pay a premium price for the purchase of Government royalty oil, such refinery may, at its option, by written notice to the Secretary of the Interior, elect either —

(1) to terminate such contract, the termination to take place at the end of the calendar month following the month in which such notice is given; or

(2) to retain such contract with the modifications, that (a) the price, on and after March 1, 1949, shall be as defined in the contract, without premium payments, (b) any credit thereby resulting from past premium payments shall be added to the refinery's account, and (c) the Secretary may, at his option, elect to terminate the contract as so modified, such termination to take place at the end of the third calendar month following the month in which written notice thereof is given by the Secretary.

SEC. 2. The provisions of this act shall apply to all existing contracts for the purchase of Government royalty oil entered into after the approval of the act of July 13, 1946 (60 Stat. 533), and prior to the approval of this act, irrespective of whether a determination of preference status was made in connection with the award of such contracts, but shall not apply to any such contract which subsequent to its award has been transferred, through the acquisition of stock interests or other transactions, to the ownership or control of a refinery ineligible for a preference under said act of July 13, 1946, and the regulations in force thereunder at the time of such transfer.

SEC. 3. Any of the lands added to the Shasta National Forest, Calif., by the act of March 19, 1948, Public Law 449 (80th Cong., 2d sess.), which constitute lands acquired with funds of the United States shall, except as to deposits subject to the provisions of the act of August 7, 1947, Public Law 382 (80th Cong., 1st sess.), be open to mineral exploration, development, and operation under such rules and regulations as the Secretary of the Interior may prescribe with the consent of the Secretary of Agriculture.

And to amend the title so as to read: "An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), and for other purposes."

Mr. O'MAHONEY. Mr. President, by authority of the Committee on Interior and Insular Affairs, I move that the Senate agree to the House amendments, with an amendment to strike out all of section 3 of the House amendment. This measure was recommended by the Interior and Insular Affairs Committee of the Senate, the Public Lands Committee of the House, and the Small Business Committees of both Houses.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. Which Small Business Committee—the one which is now defunct?

Mr. O'MAHONEY. Yes; several years ago Congress enacted a law intended to be for the benefit of small refiners.

Mr. WHERRY. It was referred to as the O'Mahoney measure, in which I was glad to join as a sponsor.

Mr. O'MAHONEY. Yes; but, to our disappointment, we found that in enforcing that law the Department was collecting premium payments. These payments have now been found to be very burdensome to the refiners. The Interior Department has agreed to the bill introduced by the Senator from Colorado [Mr. JOHNSON] to amend the original act so as to relieve the lessees or the holders of contracts from the requirement of paying these royalties. The House bill does precisely that, in different language, but section 3, which was added by the House, refers to an altogether unrelated subject; namely, it adds certain lands to the Shasta National Forest, in California, and provides for the mineral exploration and development of such lands under rules and regulations to be made by the Secretary of the Interior when approved by the Secretary of Agriculture. It has nothing to do with the subject matter, and the committee felt that section 3 should be stricken from the bill. I therefore make that motion.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

Mr. O'MAHONEY. I move that the Senate agree to the House amendment changing the title.

The motion was agreed to.

RESTRICTIONS ON EXPORT OF AMERICAN LUMBER

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written to me by E. S. Miller, of Jackson, Tenn., under date of July 23, 1949, relating to restrictions on export of American lumber; a letter signed "Otto," addressed to Miller & Co., dated July 19, 1949, replying to assertions made by ECA on the subject of the hardwood situation; and my letter of reply to Mr. Miller.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MILLER & Co.,

Jackson, Tenn., July 23, 1949.

Hon. KENNETH McKELLAR,

Senate Office Building,

Washington, D. C.

MY DEAR SENATOR McKELLAR: Attached to this letter you will find excerpt of a letter we have received from one of our very fine employees who lives in Selma, Ala., and works in our Selma, Ala., office.

We give you a brief background of Mr. Otto Hoersting. He came to this country in 1939 from a small town within about 8 miles of the German border in Holland. He intended to stay with us 12 months to try to learn something about the lumber business and the way it is done in this country and, of course, his country was overrun, as you know, by the Germans. He then served several years during the war with the Dutch forces in the East; was there in the beginning of the Jap invasion; luckily got to Australia. He came back and had extensive training at Jackson, Miss., was then back in active duty again for a couple more years or so. At the time he left to join up with the Dutch reserve forces in New York he married a Selma, Ala., girl and now has two little children.

In April 1948 Mr. Hoersting and family visited his mother and sister in Holland for

the first time since he came to this country. At that time he made some complimentary business calls on our connections in the Netherlands, France, England, and Scotland but did not get a single order on account of the restrictions on lumber and lumber products from this country, which as you know, has been pretty widely discussed within the past few weeks. We do, however, want you to have a little more first-hand news; hence, the excerpt of three paragraphs of Otto's letter that we have just received at this office. We can assure you that these three paragraphs were not written on his part with any thought of being referred to you but is only a part of a two-page letter reporting briefly to the writer on his trip.

We have not only had a representative in Europe on these two different occasions but many cables, trans-Atlantic telephone calls, air-mail letters, etc., however, for the past 2 years our export business has been practically nil; just a few cars with exception of 2 years ago this past April Mr. Stanley Lewis, of the British timber control, was in this country and we agreed with him and did furnish eight to ten million feet of principally the grades and species, especially No. 1 common and select plain oak, which is now on yards, comparatively speaking, without any takers. We know from past experience this lumber will eventually, and that before too long, become infested with worms and lyctus beetle, in which event will be practically useless other than for dunnage.

From the very beginning of our companies we developed an export business and during the depression years and up until World War II the writer sometimes made two selling trips a year to Europe, some of our salesmen or officials of the company made one trip a year. Our business then, we would say, was about 50 percent export.

We have a reforestation program on and are planting more trees than we are cutting. We have not closed down any of our mills and in some instances raised wages the 1st of January; but without some additional business on the kinds of lumber we are having to continue putting on sticks, our reserve strength will be gone. In fact, within the past 12 months we have worked into a weak cash position from a comparatively strong one, which will mean we, too, will be numbered with the closed-down mills and our reforestation program will either be put to an end or drastically curtailed and that much source of revenue coming from us to help maintain our Government and our many welfare institutions will be lost.

There are no complaints from us to our Senator or any of the other Members of the law-making body, including our President. Instead, we want to compliment you on the good things that you have accomplished and other high ideals for the future welfare of our Nation and other peoples of the earth. We are still hopeful that matters will soon be adjusted whereby our natural business relations can be established, as our industry, like, no doubt, many others, to be healthy has to have an export outlet for a portion of its product.

With best wishes for your continued good health, we are,

Sincerely yours,

MILLER & Co.,
E. S. MILLER.

MILLER & Co., Inc.,
Selma, Ala., July 19, 1949.

MILLER & Co.,

Jackson, Tenn.

(Attention Mr. E. S. Miller.)

DEAR MR. MILLER: This is to report my return home on Sunday, July 17. The trip to South Africa was most interesting and I have worked hard in trying to locate people who are interested in hardwood lumber, pine lumber, and hardwood flooring. I think that before too long we will get some business

from there, but at this moment the people in South Africa are rather afraid of spending their curtailed dollars for American goods since they are finding that the prices of almost all American products are declining sharply. There is little that one can say against this attitude of the buyer who does not want to purchase in a declining market.

Of course, I trust that you have heard about the circumstances which made it necessary for me to return home at an earlier date than I had planned. Fortunately, my activities in South Africa were almost to an end. I stopped over for 1 day in Amsterdam and talked to Bakker, and I had to skip my plans to stop over in London where I had planned to see Mr. Stanley Lewis and also Duncan Ewing and our various other friends. I am very sorry that through these circumstances this point of call had to be dismissed but after receiving the cables from Mr. Buchanan, I did not think that I should remain away from home any longer.

While in Amsterdam I found Max Bakker in his office, and I had a long talk with him. He advised that there is at present absolutely no business in sight in Holland. It is very much regretted by them that at present circumstances will not permit them to purchase American hardwoods. The main reason for this is that, of course, the Marshall plan stipulates that wherever possible the countries participating in the Marshall plan should trade among themselves these such commodities that are available. For this reason, Holland has been forced to buy oak lumber from France and from Germany, and also Yugoslavia. The general prices of the American woods are lower than the prices for the lumber which they buy in Europe, and this again is an example of the confronting circumstances that are created when commerce is regulated by people who work on the theoretic angle rather than on the practical one.

Very sincerely yours,

OTTO.

CORRECTIONS AND REPLIES TO ASSERTIONS MADE BY THE ECA ON THE SUBJECT OF THE HARDWOOD SITUATION

Assertion: The statement has been made that, "To secure the success of the recovery program by 1952-53, the U. K. must * * * wherever possible, purchase from nondollar sources." Other statements are made to the effect that nondollar purchases negotiated with Communist satellites, are simply barter deals and that soft currencies, primarily sterling, are being used simply as a medium of exchange.

The facts: It is our contention that in the long run there is no difference between a purchase in a Communist satellite country by barter or sterling than a purchase made with ECA and free dollars. The United States is pumping about \$1,000,000,000 annually into the British economy in addition to the United Kingdom dollar receipts from transportation, services, and goods exported by them to the United States. It is not possible for British goods being sold or bartered to eastern European countries in return for their hardwoods, not to have been made in part from material purchased with dollars, or for the sterling used to buy hardwoods from eastern European countries not to have been obtained from products wholly or partly made from dollar-purchased goods. In short, American dollars are releasing British sterling which is then available to purchase hardwood lumber from nondollar sources to the detriment of the American hardwood lumber and plywood industry.

Assertion: ECA press release No. 563 of April 29, is repeatedly referred to as a measure of relief.

The facts: This press release announced a policy of the ECA which would require that when ECA dollars were used for the purchase

of lumber, the American lumber manufacturer would be given an opportunity to bid in competition with any other dollar source. While this policy may be helpful to other segments of the lumber industry, it is of no avail to the hardwood lumber and plywood producers. The policy applies only to dollar purchases, while the hardwoods which are taking the place of the American hardwoods in the world market are being purchased for sterling and other soft currencies.

Assertion: It is repeatedly stated that business would have been much worse if there had been no ECA.

The facts: As there have been no orders for American hardwood lumber this year, from the U. K., it could not get worse. In the absence of the recovery program, American hardwood producers would at least have an opportunity to compete in the world market.

Assertion: It has been stated that ECA did not cause the stoppage of buying of American hardwoods.

The facts: We believe that it is not just coincidence that with the advent of the European recovery program, orders for American hardwoods virtually ceased, and what is practically a boycott has since existed. Not a single order for American hardwood lumber or plywood has been placed since December 1948.

Assertion: It is stated that ECA would eventually assist the hardwood industry by building up the ERP countries.

The facts: This is absurd. Markets once lost are seldom regained. "Eventually" would be too long because few in the hardwood lumber and plywood industry could exist until the end of the ECA in 1953.

Assertion: It is stated that the diversion of hardwood imports by the ERP recipient nations from the United States of America to Communist countries is necessary in the light of the European economic crisis due to their dollar shortage.

The facts: In the past 50 years there have been a lot of exchange problems. There have been wars, and pounds and dollars have fluctuated on the world market. If the British and other European users, are smart as they are and as good traders as they are, have been buying American hardwoods almost exclusively for 50 years, there must have been a basis or reason for it. Now they are paying 50 percent more for an inferior quality of lumber. We do not believe there is any sterling consideration that can outweigh the need for a sound economic plan.

Assertion: Statements are frequently made which tend to disguise and distort the hardwood lumber situation by quoting figures and percentages which include United States softwoods, ties, and other products, and by quoting Canadian export figures and percentages.

The facts: Lumber and plywood exported by the American hardwood industry is not in competition with export items produced by United States softwood producers or by the Canadian hardwood and softwood industries. The hardwood industry is interested in only reestablishing its export market which has always been competitive with European and tropical countries.

Assertion: There has been a tendency on the part of some ECA officials to underrate the importance of our hardwood export market to the United States economy, because the prewar average was only 300 million feet, which is approximately 20,000 car loads.

The facts: Lumber is one of the most important industries in many of our States. This footage represents a large percentage of the higher grades of the hardwood species which the mills must produce if they are to run. To cut a tree economically, it is necessary to sell all that the tree produces. Today the markets are glutted with this high-grade stock, normally exported, and it is appalling to see the amount that is rotting and de-

teriorating in the yards for the want of markets. Serious economic repercussions are developing as more and more mills shut down, throwing thousands of men out of work and curtailing the earnings of thousands more.

AUGUST 6, 1949.

MILLER & Co.

Mr. E. S. MILLER,
Jackson, Tenn.

MY DEAR MR. MILLER: Your letter of July 23 has just been received.

I do not know whether it is the fault of the post office or of my own office. At all events, I have just read it and am greatly obliged for your sending me these facts. I shall put them in the RECORD on Monday.

The American people ought to know this situation. I am doing everything I can to help the lumber people of my State and the country.

Thanking you for your letter, I am,

Sincerely, your friend,

KENNETH MCKELLAR,
United States Senator.

A FEW COMMENTS ABOUT THE WHITE PAPER ON CHINA, BY PATRICK J. HURLEY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement entitled "A Few Comments About 1,000 Pages of White Paper," issued by Patrick J. Hurley on August 7, 1949.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A FEW COMMENTS ABOUT 1,000 PAGES OF WHITE PAPER

(By Patrick J. Hurley)

I have just received and hurriedly read the more than 1,000-page State Department white paper. The paper is a smooth alibi for the pro-Communists in the State Department who have engineered the overthrow of our ally, the National Government of the Republic of China, and aided in the Communist conquest of China.

The white paper seems to indicate that the State Department has recovered the five or six suitcases full of State Department documents that were given or sold to the pro-Communist Amerasia magazine. The white paper certainly is now quoting aforesaid documents that were not available to me when I testified in December 1945 before the Foreign Relations Committee of the Senate. The American people have had an opportunity to read most of the Chambers-Hills documents. Why can't the public have an opportunity to see the Amerasia papers pertaining to China, and have an explanation of the reasons why the officials arrested by the FBI in the Amerasia case were released and whitewashed by the State Department?

My directive from President Roosevelt in keeping with the American policy in China, was to prevent the collapse of the National Government of the Republic of China; keep the Chinese Army in the field, and to unify all anti-Japanese armed forces and bring them under the control of the National Government. There were, of course, numerous other directives but the foregoing are sufficient for the purpose of showing the failure of the white paper to really tell what happened in China. Most of the quotations attributed to me occurred during the war when Russia was our ally and we were attempting to unify all the military forces in China to defeat Japan. I was, of course, attempting to get the Communists to agree to the policy of my Government.

Beginning on page 87 and ending on page 92, under the title of "American Charge's Recommendations," the State Department does disfigure the recommendation made by American Chargé at Chungking, Mr. George

Atcheson. The recommendations were made in my absence and were intended to destroy the National Government of the Republic of China, by arming the Chinese Communist Party whose purpose it was to overthrow the Government which I was directed to uphold. Fortunately, when the pro-Communists of the State Department called me on the carpet all primed to make me accept the Atcheson proposal, I was furnished a copy of the Atcheson cable which I now have before me. I quote from the Atcheson report:

"The President should inform the generalissimo in definite terms that the military necessity requires that we supply and cooperate with the Communists."

Atcheson definitely recommended the arming of the Communists whose purpose it was to overthrow our ally the National Government of the Republic of China. Now the question arises who were the pro-Communists in the Embassy at Chungking?—and I am quoting again from George Atcheson's message:

"This telegram has been drafted with the assistance and agreement of all the political officers of the staff of this Embassy."

According to Atcheson; every official in the American Embassy in China was in favor of arming the Chinese Communists whose purpose it was to overthrow our ally the Government of China, which I was directed to uphold. At the close of the Atcheson report, the State Department very kindly adds:

"General Hurley strongly opposed the course of action recommended above (by Chargé Atcheson) and it remained the policy of the United States to supply military matériel and financial support only to the recognized Chinese National Government."

What the white paper does not show is that I was called on the carpet with a full array of the pro-Communists of the State Department as my judges and questioners, to defend the American policy in China against "every official of the American Embassy in China." I won over all of their criticism for one reason only. President Roosevelt sustained my position and said it was in keeping with the traditional American policy in China. Nearly all the officials relieved by me in China because they were pro-Communist are now in the State Department—presumably writing alibi white papers.

Let me for a moment discuss a more deep-seated disagreement which I have with the present American foreign policy. It is truly stated in the white paper that I nearly always agreed with the announced policy of the President and the various Secretaries of State. I criticized the wide discrepancy between the policy stated by the highest officials and the policy made effective throughout the world by the State Department. The policy of the highest officials and the State Department are not alike. They are very different policies. Let us look at the record:

On November 26, 1941, Secretary of State Cordell Hull demanded an agreement by Japan that:

"The Government of the United States and the Government of Japan will not support—militarily, politically, economically—any government or regime in China other than the National Government of the Republic of China with capital temporarily at Chungking."

Secretary Hull's policy was in keeping with the traditional American policy in China. My disagreement was not with the policy stated by President Roosevelt or President Truman, or Secretary Hull. It was with the policy made effective all over the world by the State Department. For instance, the Atlantic Charter adopted before we entered the war, provides that—

The nations "seek no aggrandizement, territorial or other."

And again—

The nations "respect the right of all people to choose the form of government under which they will live."

There were other provisions of the Charter, but these two are enough for the point I am making. Britain and Russia, the United States and China, and 45 other nations adopted the Atlantic Charter as a statement of the objectives for which we were fighting. That was Roosevelt's policy, and I was for it. Later, Britain and Russia attempted to secede from the principles they had agreed to in the Atlantic Charter. At President Roosevelt's direction, I prepared at Teheran what is known as the Iran declaration. The Iran declaration, over the signatures of Churchill for the United Kingdom, Stalin for Soviet Russia, and Roosevelt for the United States, under date of December 1, 1943, reaffirmed the principles of the Atlantic Charter as the objectives for which the United Nations were fighting.

Then came the Yalta Conference. President Roosevelt was a sick man at Yalta. The State Department officials took over. The secret agreements at Yalta surrendered every principle of the Atlantic Charter and the Iran declaration. My controversy concerning Yalta began when I said ours is a government by the people, and the people cannot form correct conclusions if they are not given all the facts. I demanded the publication of the secret Yalta agreements.

Now let us find what the secret Yalta agreements did to China. I was not present at Yalta. China was not represented at Yalta. A secret agreement was signed by Churchill, Stalin, and Roosevelt giving Russia a preeminent right in the Chinese-Manchurian Railways. The Yalta secret agreement gave Russia a preeminent right in the Port of Dairen in China. The Yalta secret agreement gave Russia the naval base of Port Arthur in China. All of these concessions to Russia were in violation of America's traditional policy in China and in violation of China's right to territorial integrity and political independence.

The Yalta secret agreement is the blueprint for Communist conquest of China. The import of the white paper to the effect that we were compelled to meet these demands of Russia because we were afraid of what Russia would do about our war with Japan is not a satisfactory reason for our entering into the secret agreements of Yalta. At that time the United States had on the land, on the seas, and in the air the greatest military power ever assembled on this earth. America's military power at the time of Yalta was invincible. The United States did not need Russia. Russia dared not oppose the United States. Japan was already defeated before Russia reached the Japanese front. The surrender of all of these rights to Russia in China was legally and morally unjustified, and no white paper will ever be able to change the history of America's diplomatic failure in China.

The white paper does not attempt to define for the American people the present American policy in China.

ALLEGED DISCRIMINATION AGAINST NEGRO EMPLOYEES BY BUREAU OF ENGRAVING AND PRINTING

Mr. LANGER. Mr. President, last week I went into rather a detailed discussion of what I said was discrimination in the Bureau of Engraving and Printing. I have a letter written to me by Secretary of the Treasury John W. Snyder in which he refutes many of the statements which have been made on this subject.

I also have a copy of a letter written by Harry B. Mitchell, President of the Civil Service Commission, to Mr. Milton

Kelenson, United Public Workers of America, dated January 17, 1949, and Personnel Circular No. 136 of the Treasury Department, dated April 11, 1949, addressed to heads of bureaus, offices, and divisions, Treasury Department, on the subject Procedures Governing Fair Employment Practice.

I ask unanimous consent to have the letters and the circular printed at this point in the body of the RECORD.

There being no objection, the letters and circular were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, August 6, 1949.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LANGER: The attention of the Department has been drawn to S. J. Res. 122, introduced by you on July 29, 1949, and to your statement in support of it made on the floor of the Senate on the same day.

The resolution would provide for the creation of a special committee composed of members of the Post Office and Civil Service Committees of both Houses and would direct this committee to conduct an investigation into specific charges that the Bureau of Engraving and Printing of this Department is guilty of the practice of discrimination against its Negro employees.

The resolution itself does not state or otherwise indicate the nature of these "specific charges." In your statement, however, you repeated a number of allegations of recent currency, some general and some specific, by which sources largely outside the Bureau have misrepresented the facts and sought to impute to the Bureau a policy of racial discrimination which does not in truth exist.

You charged first that about 2,000 printer's assistants at the Bureau, most of them Negro women, have been recently compelled to compete for their jobs with 15,000 outsiders in an examination having little relation to the job to be done, with the result that many Negro women with training and experience will shortly be displaced. You say that plate printers who were on a war-service status, as were the printer's assistants just referred to, but who are not Negroes, were permitted to qualify for permanent status without any such examination.

It is true that several hundred women employed in the Bureau as printer's assistants will in due course be replaced, some of them being Negro and some white. These women are all war-service appointees. Their replacement is occasioned by their failure to qualify for retention in permanent positions on an assembled examination given under rules promulgated not by the Bureau or the Treasury, but by the Civil Service Commission. Plate printers on war service appointment were also required to qualify for permanent status by examination, in competition with applicants from without the Bureau. This examination was in an unassembled form. However, the form of the two examinations as well as the necessity for qualifying under them, is a matter dictated by the Commission and outside this Department's control.

This charge is identical to one lodged several months ago with the Commission, which the President of the Commission answered at length in a letter dated January 17, 1949. A copy thereof is attached for your further information.

You charged secondly that an examination recently announced for plate printers was canceled after 30 or 40 Negro veterans qualified for the examination, in the face of an alleged shortage of plate printers evidenced by overtime work presently being required of them.

The fact is that in July 1948 there existed a shortage in the ranks of plate printers and consideration was given to the recruitment of apprentices. At that time it was determined that this recruitment would be made from skilled helpers in the Bureau having veterans' status. The files of the Bureau disclosed 100 applicants eligible to take the examination of whom 49 were Negroes. Shortly after the examination was announced the Bureau learned of the availability of 20 modern intaglio power plate printing presses which had been constructed on Russian order, the export of which was now prohibited. The acquisition of these presses and the redesign of old presses made it apparent that current and foreseeable printing schedules in the Bureau could be met with existing manpower in the plate printers' trade and without overtime. In fact no overtime has been required of plate printers since May 31 of this year. Thus, the announced examination could have been held and apprentices qualified only at the risk of creating an excess in this trade which would require enforced furloughs without pay. In the light of these considerations the examination was postponed.

Thirdly, you charged that none of the responsible supervisory, professional, or clerical positions, or skilled crafts and trade jobs are held by Negroes. Specifically you charge that of the more than 3,000 Negro employees, less than 10 hold bona fide supervisory or clerical positions.

The details of this charge are not in accord with the true facts, which themselves disprove the existence of Bureau discrimination in its personnel policies.

The promotion policy of the Treasury Department is that vacant positions above the customary recruiting levels in each bureau, office, and division shall be filled from within by the promotion of qualified employees whose abilities have been demonstrated and who have the capacity to undertake more advanced work, and that there shall be no discrimination because of race, color, or creed. Seniority is given consideration only when all other qualifications are equal.

There are, at the present time, 210 supervisory positions in the Bureau of which 60 require a civil-service examination for promotion and 63 an apprenticeship in a trade. There remain 87 supervisory positions to which promotions may be made administratively and of these 87 positions, 26 or 29 percent, are occupied by Negroes.

Under civil-service regulations, appointment to any skilled craft in the Bureau requires a 4-year apprenticeship or its equivalent. The variable work load of the Bureau does not lend itself to long-range planning involving apprenticeship programs and at the same time to maintenance of the proper relationship between man power and work load. Consequently, the appointment of journeyman craftsmen is usually made from the registers of the Civil Service Commission or by transfers from other agencies within the Federal Government.

However, in some of the maintenance crafts, such as electricians, carpenters, and plumbers, workers with 5 years' service in the Bureau as mechanic's helpers and having acquired the necessary knowledge and skills equivalent to a full apprenticeship can be promoted to journeymen. In at least two of these crafts, Negro workers have become craftsmen or are in the process of becoming craftsmen. It is anticipated that other Negro helpers will become craftsmen in the future.

Of the 6,027 employees in the Bureau of Engraving and Printing, 4,511 or 75 percent of the total, are classified in the clerical-mechanical and crafts, protective, and custodial services. Of these 4,511 employees, 3,078 are Negroes. Opportunities for promotions in these two services are extremely

its remarkable progress in the field of racial understanding, and it still is. But since the Communists decided to use the islands as a test tube, the seeds of grave unrest have been planted here and some of the islanders reluctantly admit friction may develop.

They see President Jack Kawano of the striking longshoremen's union standing before an audience shouting:

"Why won't they give us the same wages they pay on the coast?" He pauses dramatically, points to his bare arm and roars:

"Because the color of our skin is brown." And Strike Organizer Henry Schmit, Harry Bridges' aide, will tell his hearers:

"If people on the coast, black and white, receive the same amount of wages per hour, then you people who have brown skins should also receive the same wages per hour."

HAOLE BOSS NO GOOD

Alien Filipinos, who comprise a large part of the striking longshoremen, and one of the main forces in the pineapple and sugar fields, are told that "a haole [white] boss is no good."

These are things you hear on the docks and in the fields: "The employers are our enemy; we must stick together and fight; the pineapple industry arrogantly brushes us a few miserable crumbs; a stab in the dark at our union; the wailing and gnashing of a few millionaires fail to disturb us"; and so on.

THEY WONDER

Loyal Americans here among the workers of all races wonder how much of that can be fed to Chinese, Japanese, Filipinos, Koreans, and native Hawaiians before the calculated reaction is produced in the test tube.

Hopefully they look toward the United States Government to end a situation that threatens to become not only intolerable but a grave menace to the once undisputed paradise of the Pacific.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. WHERRY. Mr. President, inasmuch as the distinguished Senator from Missouri [Mr. KEM] is about to resume his speech on the amendment, and in view of the fact that I am a cosponsor of the amendment, I am wondering if I might ask unanimous consent to make a few observations in support of the amendment before the Senator concludes his address.

Mr. KEM. Mr. President, I shall be glad to yield to the Senator from Nebraska for that purpose.

Mr. WHERRY. Without, of course, prejudicing the Senator's right to the floor.

The PRESIDING OFFICER (Mr. GEORGE in the Chair). The Senator from Nebraska may proceed with that understanding.

Mr. WHERRY. Mr. President, when the ECA bill providing for the authorization of funds came up in the last Congress I opposed the authorization legislation because I felt that conditions, beyond direct relief and beyond physical aid and comfort, should have been written into the bill so as to attempt, at least, to see to it that the participating countries would take care of their economic problems and endeavor to solve them, so that when ECA funds were finally expended those nations would be self-sustaining and would accomplish the purposes for which ECA was intended, in the first place. None of us will

disagree with the fact that food should be furnished to the ECA nations, together with medicine, clothing, and even money, to help rehabilitate the productivity of their farms. But certain fundamental economic problems which confronted those nations at that time still confront them. The question is, Are they solving those problems as ECA funds have been furnished them?

I should like to call the attention of all Members of the Senate to the editorial appearing in the Saturday Evening Post of August 6, which has already been introduced into the RECORD by the junior Senator from Missouri and will be found in the Appendix of the RECORD. I hope that each Senator has read it. In that article the very first four lines sum up the introductory remarks which I have already made.

Here is what the editorial says, in part:

It is now plain that the Marshall Plan, which kept the bear from the door in western Europe, has not solved the economic problems of Europe.

That is, through the distribution of food, clothing, medicines, and so forth.

As the editorial proceeds, it gives convincing evidence why the problems have not been solved. At the conclusion of this particular phase or part of the editorial the editor says:

But the Socialist regime in England, which regards investment as immoral and insists on backing the welfare state to the point of national bankruptcy, is a weak instrument for carrying out the necessary adjustments.

The necessary adjustments to which the editor is referring are with respect to the economic problems which have not been solved. One of them is the elimination of economic trade barriers. Every Senator knows that Britain is not making any progress along that line. As a matter of fact, the situation is just the reverse. More bilateral agreements have been entered into, including the one with Russia, exchanging fabricated materials, financed by ECA dollars. Then there is the agreement with Argentina, regarding the exchange of machinery for beef over a 5-year period. That is another example. One could stand here and give a number of such examples. The Senator from Nevada [Mr. MALONE] has very carefully covered that subject in speeches he has made on the floor of the Senate in the past few weeks, as did the junior Senator from Nebraska when the appropriation measure was before the Senate. In the authorization legislation the purposes of ECA are set forth, the fine purposes, namely, among others, that certain economic problems must be solved by 1952, and among them are the ones I have just suggested to the Members of the Senate.

Mr. MALONE. Mr. President.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Nevada?

Mr. WHERRY. I yield.

Mr. MALONE. I am very much interested in what the Senator is saying about economic barriers. I inquire of the Senator whether he has in mind the barriers as between the European countries, for instance, England and France,

each with the other, quotas, embargoes, and the manipulation of their currencies for trade advantage.

Mr. WHERRY. Yes. Of course, there are other barriers, but the ones to which I am referring are the barriers among themselves, the recipient countries. When they joined in asking for this mutual aid, they agreed among themselves to eliminate the economic barriers between themselves. They also agreed not to go outside and make bilateral agreements, because by doing that they would destroy the very purpose of the act. When those countries accepted this aid, they did it with the full understanding that they would not only eliminate the economic barriers between the participating European countries so far as trade was concerned, but they would bring about certainly freedom of currencies as they did business among themselves, in other words, a free flow of exchange.

Throughout the act there may be cited several different purposes which the participating countries agreed to follow, and those are the economic problems about which this editor is talking. While it is true that we have kept the wolf from the door by sending food, medicine, and clothing, which is certainly righteous, yet when we evaluate the Marshall plan, has it eliminated the economic barriers which must be eliminated by 1952, if we are not to find ourselves in the same situation in which we were when the original act was passed and in which we are now?

I should like to suggest to the distinguished Senator that the report given to us by the distinguished Senator from Louisiana [Mr. ELLENDER] is in line with the observations made by the editor of the Saturday Evening Post. While I do not know whether the Senator from Louisiana subscribes word for word to what the editor says, yet, as I understood his report, he pointed out to the Senate as problems which are confronting the European countries those which are referred to in this editorial.

Mr. MALONE. Mr. President, will the Senator yield again?

Mr. WHERRY. I yield to the Senator from Nevada.

Mr. MALONE. Then, when these great plans for a United States of Europe, or a federation of states with a common currency were put forth by Mr. Churchill and others, and accepted by the American people as an earnest effort by the European countries to get their affairs in order—provided we would finance them for 3 years—they seemed to have abandoned the plans as soon as Congress authorized the money—is that true?

Mr. WHERRY. Certainly there was to be some sort of union under which, by multilateral action, economic relief would be afforded the entire group of states.

Mr. MALONE. If the Senator will further yield, that included, we may say, a common currency among the nations, and called for the abandonment of the economic fight between the European nations themselves.

Mr. WHERRY. That is correct.

Mr. MALONE. If not the same currency, at least it would be allowed to

reach its common level in the interchange of such currencies—without artificial props. Is that true?

Mr. WHERRY. A free flow of currency was one of the main objects of the ECA Act.

Mr. MALONE. The free flow of currency of course has been defeated from the beginning by these same beneficiaries of the ECA, in the same manner as the pound has been pegged at a fictitious value. The pound is worth about \$2.25 or \$2.40 in any market in the world, but is held at \$4.03 in England through our financial assistance.

Mr. WHERRY. I am not sure about the value of the pound, but in the main what the Senator says is absolutely true.

Mr. MALONE. At least the principle of fictitious values for the European nations' currency has been carried out in that manner.

Mr. WHERRY. That is correct.

Mr. MALONE. That is exactly contrary to the Marshall plan or ECA agreement, or to what the American people were led to believe would happen.

Mr. WHERRY. It is in contradiction of the main purpose, especially of the particular section of the basic act itself to which attention has been called. Unless there is a free flow of currency, then each country is confronted with the problem of coming to the United States for dollars. If the dollar we lend one of the countries can be used so that it circulates in their medium of exchange at a fixed rate between the different countries, that \$1 will serve the purpose of 11 countries. But instead of doing that, barriers, limitations, and restrictions are imposed. The countries are not accomplishing what the act requires. Each country comes back to us and says, "We have a deficit balance. We must have more dollars."

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield to the Senator from Nevada.

Mr. MALONE. I should like to call the attention of the Senate to the condition which presently exists, namely, that if one goes to an exchange headquarters in New York City—the National City Bank, the Chase National Bank, or any standard exchange headquarters—if he is a law-abiding citizen, and does not deal in the black market, he pays \$4.03 for every British pound he can secure. Is that true?

Mr. WHERRY. That is true.

Mr. MALONE. He takes those pounds and buys goods in the sterling area. He is not allowed to spend dollars in the sterling area without the special permission of the British Government. Is that true?

Mr. WHERRY. That is the way it works.

Mr. MALONE. That is because of a Bank of England ruling, is it not?

Mr. WHERRY. That is true, I am sure.

Mr. MALONE. The pound should be obtainable for \$2.25 or \$2.50, but the English will not allow the pound to be sold below \$4.03. The English Government gets the \$4.03, and the pounds must be expended in the sterling area. On the other hand, when we go to London,

can we get \$4.03 for a pound, to be expended for goods outside of England? Is that possible?

Mr. WHERRY. That is not our experience.

Mr. MALONE. I have had some experience there. I was in England, and I know it cannot be done. In other words we cannot expend dollars outside of England at all, without a central board passing on whether it is a necessary transaction, meaning that the English Government can force you to pay in the sterling area.

The last question I should like to ask the distinguished Senator from Nebraska is this: Is it not a fact, then, that we are the only country that has lived up to all these grandiose plans, that we have slashed our tariffs and import fees without regard to the differential in the cost of living, or the differential in the standard living costs between England, or any other Nation and the United States, an average of value of from about 45 percent, to about 5 to 8 percent, so that there is no protection to the American workingman at all?

They have not lowered their economic barriers, but have made them rigid in the form of quotas and embargoes, manipulation of the value of their currencies, and in many other ways.

Mr. WHERRY. Generally speaking, I agree with the Senator.

Mr. MALONE. Then, is it not a fact that it is impossible to deal with them on such a basis, to make a trade agreement with them, or in any way whatever to assist them permanently, until they live up to their implied and actual promises. I refer to the trade agreements made with England and the sterling bloc area countries under the 1934 Trade Agreements Act—named "Reciprocal Trade" to sell free trade to the American people.

Mr. WHERRY. I agree with the distinguished Senator, in his last observation especially.

Mr. MALONE. The proposed amendment covers only a part of it, but an important part.

Mr. WHERRY. If the participating countries are going to be self-sustaining and to help themselves, they must clear up the currency situation, or in 1952 we will have to continue to pour out more money to those countries in order to enable them to operate as they are now operating.

At another point the editorial from the Saturday Evening Post states:

The real issue is whether a controlled economy can compete with a relatively free economy.

There is their big issue in Great Britain.

"By their fruits ye shall know them."

Is the quotation used by the editor. Then in the concluding paragraph the editorial says:

Things would be a lot easier in 1949 if we had been less squeamish in 1947 about sitting down a few reasonable stipulations as the price of our aid.

I want every Senator to know that. I was one who felt that the approach was completely wrong; that we did have a right to name the conditions; that we did

have a right to put into the act specific amendments similar to the various Kem amendments which are now being proposed. At that time the amendments were rejected. Yes, we could have done that then and possibly such conditions would have been accepted. It is becoming more and more impossible to write such an amendment into the act because of the way we have been proceeding during the past year and one-half.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Did we not write into the act in effect just what the Senator is talking about? For instance, we wrote into the Foreign Assistance Act of 1948 the following:

The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance.

When a country's economy is one-half socialistic and the other half free enterprise or individual enterprise, does not that country have a system within it which interferes with the healthy development of its economy?

Mr. WHERRY. Yes.

Mr. FERGUSON. And is it not true that we can not do anything by way of furnishing money to a country which does not interfere in some measure with the domestic conditions of that country?

Mr. WHERRY. That is true. I agree with the distinguished Senator from Michigan. It is unfortunate that we did not, when we passed the original act, place in it certain general conditions which could be enforced, I believe, by the Administrator. The distinguished Senator may recall that I asked Mr. Hoffman, the Administrator, for whom I have great respect, the question as to the elimination of economic barriers. We are now talking about specific conditions which would fall in the category of the general conditions he could enforce. I asked Mr. Hoffman, and I am sure the distinguished Senator from Michigan was present at the time, "What is going to happen if these economic limitations are not removed?" Mr. Hoffman replied, "Unless we can carry out the purposes of the act and they can be removed, the progress of the program will be seriously hurt."

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Did Mr. Hoffman not go even a little further than that and say that if it were not done in the coming year—

Mr. WHERRY. That was in answer to the second question I asked him. Mr. Hoffman made it more emphatic. I do not have the testimony before me, but I think he said it would mean that Britain's economy would break down.

Mr. FERGUSON. If it were not done within the coming year.

Mr. WHERRY. Yes. For that reason I cannot see any objection whatever to writing the Kem amendment into the appropriation bill at this time.

The Kem amendment is very broad in its ramifications. It presents issues which should not be allowed to just drift. The longer the Senate delays in asserting its principles the deeper our Government will become enmeshed in support of socialism and the devices of the welfare state. Certainly we have gone a long way in a year with Great Britain, and the longer we continue in the way we have begun, the more enmeshed we will become in her economic condition.

The amendment simply presents to the Senate these questions:

Does the Senate want to tax the American people to support abroad socialism, which is the doorway to totalitarian government?

Does the Senate want American industries and American labor, functioning in our free, competitive system, to finance abroad an enemy of that very system?

Put another way the question is—does the Senate want to build a Frankenstein?

Make no mistake about it. These are the questions that should be answered now, because the evidence of what is going on in countries participating in the ECA is too abundant to be ignored.

Senators know that in Great Britain and other countries the trend toward socialism is unmistakable. Scarcely a day passes but that news comes of new plans in Britain to socialize more industries.

It is no excuse to say, if England wants, or any other country wants, to become a full-fledged socialistic state that is up to England and any other country to decide for itself. We are the ones who should make that determination, at least in respect to our investments.

It is no excuse to say all America should do is draw from its Treasury and from its resources in manpower and goods, and pour its cash and products of its labor into ECA countries.

It is no excuse to say all America should do is broadcast its wealth in cash and goods to nations around the earth and contentedly, optimistically, salve its conscience with the thought that thus all will be well and that peace and security and happiness will flourish upon the earth.

What will it profit the United States if it pours out its substance only to find the result is expansion of a way of life that is thoroughly repugnant to our own people, and in conflict with the principles of freedom of choice that our people adhere to in their own country? That is exactly what the editorial brings to the attention of the American people. That is exactly what it says. That is the question it propounds.

America has joined in two world wars to prevent the spread of totalitarian government in Europe. Why? Because our people know that if totalitarian government rules Europe, it will be only a matter of time before it will challenge the United States directly.

Dictatorships that ride into power on the vehicle of socialism are just as pernicious as those that gain their ends by bloody revolution.

It is not necessary to explain to members of this body the philosophy of Marxian socialism. Senators know where it inevitably leads.

It is not fair to the American people to tax them to finance the growth of socialism abroad. Yet that is what is being done in the ECA program.

ECA funds are being used to subsidize socialism in Great Britain and other countries. ECA is being used in an effort to make socialism work in those countries. ECA is being used in an effort to prove that socialism will work for the best interests of the people.

It is said over and over that the United States must attach no conditions upon the use of ECA funds. Oh, I remember when the act was passed. It was then said we could not write conditions such as provided in the Kem amendment, because to do so would be an interference, a meddling in the domestic affairs of the recipient countries.

That argument has the ring of solid Americanism, for historically the policy of the United States is not to interfere or meddle in the domestic affairs of other countries. They have a right to have any kind of government they choose to have. Traditionally our conditions for official, diplomatic recognition of them simply are that they must be stable governments and they must keep their international agreements.

It is upon this broad basis that the argument against the Kem amendment is made, but it is an utterly fallacious argument.

The administration's spokesmen in making this argument are illogical. They apply the principle of noninterference to some countries and apply a doctrine of interference to prevent ECA funds from going to other countries. They say—and by "they" I mean the State Department—"don't meddle" when they seek to prevent adoption of the Kem amendment for application to the ECA countries. And they say America has a right to withhold ECA from Spain, because Spain does not have the kind of government America wants Spain to have.

They withheld aid from the Nationalist Government of China because they did not like the Nationalist Government of China. They meddled into China's affairs up to the hilt—we all know that for years back, and ever since Yalta China has been sold down the river—even to the extent of dangling American aid before the Nationalist Government if it would take in Communists and form a coalition government. And when the Nationalist Government rejected that proposition, well knowing what happens to a country once it takes Communists to its bosom, the administration chose to let China fall under the heel of Communists directed by Moscow rather than give to the Government of China even the moral support which China needed at the time she needed it to stop communism from marching southward.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. KEM. I should like to ask the Senator from Nebraska if, when Mr. Hoffman appeared as a witness before the Appropriations Committee, of which the Senator from Nebraska is a distinguished member, he was asked what would occur if the government of one of the participating countries went Com-

munist. Does the Senator from Nebraska remember his answer?

Mr. WHERRY. I must say to the distinguished Senator that I did not hear all of the thousand pages of testimony. I am quite satisfied that at the time that question was asked I was not present in the Appropriations Committee hearings. However, I have been told what he said. As I recall, he gave the general impression that we would have to continue to deal with that country on the basis on which its government then would be established. Is that the answer to which the distinguished Senator refers?

Mr. KEM. My recollection of the testimony of Mr. Hoffman was to this effect: That in view of the history of the legislation, he thought that aid to any country which became Communist should be immediately cut off. In other words, he would be willing to refuse aid to Spain, because he did not like the Government of Spain. He would be willing to refuse aid to China because he did not like the Government of China. He would be willing to refuse aid to any of the present participants if they became communistic; but he declined to refuse it to England under any circumstances.

Mr. WHERRY. I heard that statement. I thought the Senator was referring to what recognition would be given to a country which turned Communist. We would have to get along with that country, just as we have to get along with Communist China. But he very positively said that aid should be withdrawn. He now has the right, under the general provisions of the act, to withdraw aid. A country which is not endeavoring to eliminate economic barriers certainly is subject at least to the criticism of the Administrator, if not the withholding of funds.

Mr. KEM. Would not that be on the ground that we found the communistic regime inconsistent with the principles upon which the American Nation is founded?

Mr. WHERRY. There can be no doubt of that.

Mr. KEM. I will ask the Senator if the present Socialist governments of Great Britain and France are not also inconsistent with the American way of life, upon which our economic and social system is based.

Mr. WHERRY. There can be no doubt about it. That is the burden of my remarks. It has been very difficult to get editorials like the one to which I am referring into the leading journals in this country; but here is an editor who is discussing the economic problems which confronted the Congress when we authorized the aid. Here is an editorial suggesting that the conditions which the Kem amendment would correct be taken care of by the Kem amendment. That is the point I am making. Why tax the American people to subsidize and sustain in Great Britain and France, or any other recipient country, a system which permits those countries to go totalitarian, when the basis upon which the appropriation is made is that of stopping the expansion of communism throughout the world? I think it is most illogical. We have the right, under the general purposes of the act, to implement it by the

Kem amendment. That is why I am for it. There are those who feel that we cannot tell any country what it must do. That is what the State Department says. It says that we must not meddle in the affairs of other countries. Yet they insist that if we are to recognize Spain, Spain must change its form of government and its attitude toward its own citizens. Our policy is as illogical as can be.

I was talking about the moral support which China needed at the time when it would have done a great deal of good so far as stopping the southward march of communism is concerned. It was the refusal of that moral support to the Chinese Government that did more to pave the way for the downfall of that Government than all the arms which we withheld. The statement is made in the white paper that we would not give them arms because it was thought that they would be used for the benefit of the coalition.

Mr. Acheson now says that any further march southward of communism would be a threat to the peace of the world. If we had emphasized that thought at the time of Yalta, we would not have had the trouble we have in China today. We did not do it. Now we are offering excuses, and seeking to bring out defects in the Chinese National Government. It is said that the Government of Chiang Kai-shek is corrupt, and so forth. It we had given moral support to that Government when it needed it, we would not have the difficulty we have now in all of China.

America may some day pay very dearly for this tragic betrayal of China, our solid friend in the Pacific back through the ages. America was the hope and inspiration of the Chinese people. America let China down.

So we see the outright conflict in our foreign policy, treating ECA countries one way and non-ECA countries another way. There are also many variations in the policy. Some countries are in the in-between status, like the countries of eastern Europe which Russia has grabbed by devious and ruthless methods.

For an extreme illustration of the shallowness of the argument against the Kem amendment consider Soviet Russia. The United States maintains full diplomatic relations with Soviet Russia, and yet Soviet Russia is the complete example of all that America abhors in government.

No question of diplomatic recognition is involved in the Kem amendment. There is nothing in the amendment that implies interference or meddling with the domestic affairs of ECA countries. ECA countries are under no compulsion to accept the conditions of the amendment.

They do not have to give up their socialism and march toward complete dictatorship.

The amendment simply provides that they cannot use any of the cash or goods given to them under ECA to nationalize any additional industries.

That is all it calls for. Do we want Great Britain to go further to the left? Do we want France to go further to the left? Or do we want them to get back

to freedom and competition, and the kind of government which we feel will make them stable?

What are we going to do in 1952, when this program is concluded, and we are supposed to write off any further borrowing from the United States? Will those countries have solved their economic problems? Or will they come back and say, "Bail us out. Give us some more money, and give us a little more time. We are further to the left than we were before, but perhaps some day we will whip this difficulty." We are investing in a Socialist government in Great Britain which, unless it is halted, will go further to the left, and by 1952 we shall not have solved anything. We shall not have afforded them any real aid, except direct relief in the form of food, medicine, and clothing; but we could do that without ECA.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. EASTLAND. Are we not subsidizing a Socialist government in Great Britain, and, by virtue of the subsidy, making it possible for socialism to expand in that country?

Mr. WHERRY. There is no doubt of it. I have already made that statement. We are not only doing it in the case of that country but we are doing it for all the peoples of Europe. We are trying to build up a Socialist regime which will make the people like it.

Mr. EASTLAND. As a result of socialism, in England manufacturing costs of British goods are much higher than the world cost of such goods; are they not?

Mr. WHERRY. There is no doubt of it. Costs are so high that it is very difficult for them to sell their goods even in competition with us. The prices are cut of reach.

Mr. EASTLAND. England is now embarking on the identical policy on which Hitler embarked—state trading, spheres of influence, and areas of market in which the British have the exclusive right to sell. That very thing is cutting down the markets for American products abroad.

Mr. WHERRY. The Senator has just restated what I stated earlier. That is the very point raised in the editorial in the Saturday Evening Post. The Senator has stated it very forcefully in asking the question.

Mr. EASTLAND. It is all based upon a subsidy from the people of this country.

Mr. WHERRY. That is my feeling. That is the reason I am for the Kem amendment.

As I stated earlier, under the Kem amendment none of the cash or goods given to those countries under ECA could be used to nationalize any additional industries. That is all the amendment provides for. Certainly we ought to be able to go that far. I certainly cannot see anything wrong with it. In effect, it says to the ECA countries, "We do not like socialism at home and we are not going to support it anywhere."

It says, "The cash and goods America is giving to you is coming from our free, competitive enterprise system, which we believe is the best system on earth for

the prosperity, security, and happiness of mankind."

It tells the ECA countries that we think we have a right to say how our cash and our goods are to be used.

In effect, it says to them: We believe it is the decent, neighborly thing to help you recover from the ravages of the war for your good and indirectly to strengthen our own prosperity, security, and happiness, but we are not going to waste our substance down any drain pipe of socialism, the Siamese twin of communism or fascism, or anything that winds up in dictatorship.

Through adoption of the Kem amendment, the Senate will help keep alive the spark of free enterprise and strengthen those forces in ECA countries that cling desperately to the same principles of government that we have in the United States. They are the ones we should be helping today, not the Socialists or Communists, who are leading those countries to a totalitarian government.

No Member of the Senate will make the argument that the Senate cannot prescribe conditions for the use of America's cash and goods in ECA countries. Of course, we, the Senate, can apply any conditions deemed proper. Certainly, the condition that the cash and goods shall not be used to support welfare states or socialization of industries is imperative if our foreign policy is to square with our domestic policy and the very Constitution under which we live.

The Senate could go much further than the Kem amendment in abiding by the principles of the Constitution of the United States. The Senate could provide that no country that violates any of the principles of our Constitution shall receive cash and goods through ECA. All the freedoms contained in our Constitution could be attached as conditions for the use of our money and our goods. This amendment does not go that far. If it did go that far, there would be few ECA countries that could qualify for ECA donations.

Yet, why should our country use its wealth, its substance, its industries, and its labor to build and strengthen countries whose way of life is in sharp conflict with the American way?

But the Kem amendment does not attach all of those conditions. It does not seek to unscramble what has been done in ECA countries. It does not interfere with or meddle in any of the regimentation of the people that prevails among ECA countries.

With adoption of the amendment, the practical effect would be to prevent any of our cash or goods being used to assist in or facilitate the nationalization of any additional industries in any country that receives ECA aid in the future—that is, under the pending appropriation.

As I have already said, I was among those who voted against the original authorization that began the European recovery plan. I sought to have adopted conditions similar to the Kem amendment. It was my belief then, and it is my belief now, that the European recovery plan would by this time have accomplished much more for the benefit of the receiving countries, and for our own

security and happiness, if it had been launched as a program to encourage free, competitive enterprise.

It was my belief when ERP was started that it would be used to strengthen socialism and encourage the very kind of government and welfare state that is so abhorrent to the people of the United States. No one can deny that it has done that, because the evidence cannot be contradicted.

I did not then, and I do not know, like the approach of the European recovery plan. There is only one way that England, France, or any country can solidly work its way out of the terrible aftermath of the war, and that way is through the initiative, skill, genius, and enterprise of its people.

Smother those ingredients and you thwart genuine recovery. Nationalization or socialization of industries thwarts those opportunities among people who want and have a right to be free.

America is giving England, the chief beneficiary of ECA, no genuine assistance by pouring cash and goods into a program that calls for complete socialization under which the lives and affairs of the people are managed by a group of national planners.

The thinking and planning, in England, as in the United States, must come from among all the people, with each person free to exercise his skill and initiative, and with incentives for producing. It is for the encouragement of these wholesome qualities that the Kem amendment is proposed.

Does any Senator doubt that there is something wrong with ECA and that it is not accomplishing the purposes for which it was established? Is not the evidence plain that it has not fulfilled its lofty mission? Oh, yes, Mr. President, we fed them; but I am talking about the economic problems that must be solved. I am talking about what the result will be in 1952.

England moves from one crisis to another. With all of the billions of dollars in cash and goods poured into England by the people of the United States, they plead for more and more and more.

To say that western Europe would be much worse off today were it not for the Marshall plan is no answer. It is begging the question. Obviously, the contribution of tremendous amounts in cash and food and materials of all kinds would produce a semblance of better times.

The question is: How much better off would western Europe be today if the European recovery plan had been launched with the Kem amendment as a part of it? For my part, the answer is plain. The ECA countries would be much stronger spiritually, economically, and morally. They would not have had so much trouble from Communists. And it is not too far-fetched to say there would have been no drive for the North Atlantic Treaty. Western Europe could have been no happy hunting ground for communistic agitators.

And western Europe would not have become prey for the Communists if the revengeful Morgenthau plan had not been applied to Germany. The years of effort to hold Germany to the status of a

pastoral state and to keep alive the spirit of revenge did more to hold back the recovery of Europe than any other action by our Government.

I say to the Senate there will not be complete recovery in Europe unless the recovery of Germany is permitted. The Ruhr is still the heart of the European Continent. My experience abroad, before the end of the war, when I was there in connection with the investigations made by the committee in regard to the atrocities committed in the political prisoner camps, convinced me then that there must be recovery in Germany if we are going to fight off communism. The recommendations brought home by the members of that committee then apply equally well to conditions as of today, for our ECA aid will never be the effective force it should be if it is used to permit the further socialization of industries in any of those countries.

The years of fiddling and fumbling with disposition of the Ruhr contributed mightily to the misery of all Europe. It played into the hands of the Communists. Anyone who has studied Europe's economy knows that the Ruhr is the heart of European economy. The Ruhr should be developed in the interest of all the people of Europe.

It is in this soil of frustration in Europe that the Socialists, first cousins of the Communists, have been able to spread their destructive doctrine. The present misdirected effort of ECA only adds to the problem.

Recently the newspapers carried an interview with Bernard Baruch, who was on his way home from Europe. He spent a month in England, France, Holland, and Belgium. Mr. Baruch and I do not happen to be associated in the same political party, but I have much respect for his opinions on financial and economic matters.

What does he say after his survey of conditions over there? I quote from an interview with him by International News Service:

Baruch is convinced that the billions of dollars poured into financially distressed nations have helped neither them nor the interest of the United States taxpayer as much as could be expected.

What he means is that if we add this amendment to this bill, thus requiring the Administrator to live up to the general purpose of the ECA Act, we shall be much better off than we are now, on the basis of what has thus far been accomplished.

Further on the report says:

Baruch believes that loans or gifts to western Europe were not sufficiently conditioned upon European nations helping themselves regain their prewar economic stability.

Of course, I supported that condition in the original authorization of the act. Finally we shall come to that, some day, Mr. President. Just as surely as Europe recovers, her recovery will be achieved on the basis of loans made individually to those countries and to the companies within those countries that will help police themselves. They should do more than invest our money; they should help go along with the system which makes

possible the provision of United States funds. They should take an interest in those industries; and I believe that the way to achieve recovery is for them to see that that is done.

That situation cannot be achieved under present circumstances. It is said that we must not meddle with the internal affairs of any of these countries. Mr. President, Mr. Baruch is correct, in my opinion; and we shall live to see the time when the correctness of his statement will be demonstrated.

Plainly, Mr. Baruch does not shy away from making conditions for our gifts and loans to ECA countries. He thinks the Senate has a right and duty to adopt conditions that are prudent and in keeping with our American system. A little further on in the interview, he says:

As a consequence (a consequence of not putting on conditions) he found that peoples abroad are not being required to produce to capacity and that their governments have not inaugurated obvious moves to improve business.

In short, both peoples and governments have come to look to America to keep them going, Baruch feels.

He found in England, for example, that the country could balance the budget if 40,000,000 more tons of coal were produced annually; instead, miners are working a short week.

That is his recommendation. I recall the amendment which was offered by former Senator Ball to require England to produce on the 10-year average the same amount of coal she produced before the war. We could not write that condition into the ECA Act of 1948. Yet Mr. Baruch says in his statement that if Great Britain would increase her production of coal 40,000,000 tons, it might balance her economy. The interview continues:

In his opinion France appears to be recovering rapidly, but though in deadly fear of Russia and Germany the country is not requiring full production of raw materials and manufactured goods to increase the national wealth.

Mr. President, it is not my purpose to discuss all of the causes of failure of Europe to get on, but of one thing I am confident and that is, there is nothing wrong with Europe that hard work and a decent regard for private enterprise will not cure.

The Wall Street Journal recently carried an article which squares with my views. For obvious reasons the Wall Street Journal, read as it by businessmen, bankers, and others interested in good business and stable world conditions, approaches the problems of Europe dispassionately.

William Henry Chamberlin, a man whose judgment and authority cannot be doubted, in a dispatch to the Wall Street Journal from Geneva, Switzerland, says:

Because of sympathy for traits of British character reflected in these anecdotes, because Britain is still America's strongest and most dependable friend, in an unsettled world, there will no doubt be sentiment in favor of bailing Britain out of the balance-of-payments crisis by some new American action.

But blind sympathy is apt to do more harm than good. There are times when it is a doubtful service to nations, as to individuals,

to make possible the postponement of inevitable readjustments.

Mr. Chamberlin also says:

The British situation cannot be saved by further dollar-blood transfusion. It can only be saved if the British people as a whole, like many thoughtful individual Britons, realize that their country is facing an economic Dunkirk and concentrate on working themselves out of the present jam. So far they are waiting for an effective lead.

Mr. President, the Senate now has an opportunity to provide an effective lead, which is in the interest of our own economy but also more immediately of assistance to Britain and all other ECA countries. This opportunity lies in the so-called Kem amendment, which in every respect holds to our traditions and way of life. I urge its adoption.

Mr. WHERRY subsequently said: Mr. President, will the Senator from Missouri yield for a question?

Mr. KEM. I yield.

Mr. WHERRY. Does the Senator from Missouri recall that when the junior Senator from Nebraska was making a few observations in the early part of the session today, one of the reasons stated by the Senator for favoring the Kem amendment was the fact that the subsidizing of the socialistic government of England made the cost of goods so high in Great Britain that goods were piling up which could not be sold, and that there was now on foot a scheme to provide trade and barter agreements with the United States and with other countries, as announced in the press this morning?

Mr. KEM. I think the Senator from Indiana [Mr. JENNER] probably referred to the same thing.

Mr. WHERRY. Did the junior Senator from Indiana place in the RECORD the article from the Wall Street Journal?

Mr. KEM. No, I do not think he did.

Mr. WHERRY. If the junior Senator from Missouri does not object, and if it is agreeable to the junior Senator from Indiana, I should like to have inserted at the conclusion of my remarks this morning the article, published in today's issue of the Wall Street Journal, written by Ray Cromley. The article is headed "To the rescue again—Federal planners talk of guaranteeing Europe a market for exports; would promise to support prices; require nations to devalue currencies—Foes charge 'state trading'." I ask unanimous consent to have the article printed in the RECORD, following my remarks made earlier today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO THE RESCUE AGAIN—FEDERAL PLANNERS TALK OF GUARANTEEING EUROPE A MARKET FOR EXPORTS—WOULD PROMISE TO SUPPORT PRICES; REQUIRE NATIONS TO DEVALUE CURRENCIES—FOES CHARGE "STATE TRADING"

(By Ray Cromley)

WASHINGTON.—The administration's global aid experts are now toying with a new idea of aiding Europe by underwriting her basic exports to this country.

What their program would mean to United States producers and consumers: More commodities from Europe's colonies and at higher-than-otherwise prices. Officials hope it would also bring more European manufactured goods here at cheaper prices, because the whole scheme would be linked with en-

forced devaluation of European exchange rates.

This is the latest of a half-dozen plans being batted around by Government economic policy makers, seeking ways to pull Britain and continental Europe out of their latest dollar crisis. It would have to get congressional approval, of course, before they could put it into effect.

Under such an aid program, the Government would guarantee that this country would import specified amounts of key commodities from such countries as Britain, France, Italy, Holland, Belgium, and their colonies. These might include goods like tin, rubber, copra, wool, tea, cocoa, industrial diamonds, manganese, chrome, and a long list of other basic materials and war stockpiling goods.

The United States would promise to support the prices of these imported commodities on the American market.

In return for guaranteed United States markets, the United States would require European countries to devalue their overpriced currencies. The immediate object would be to reduce the prices of European manufactures—British woollens, Belgian linens, French glassware, and the like—to make them more competitive on United States and world markets.

IN THE LONG RUN

The long-run object of devaluation, of course, is to enable Europe to sell enough of its goods to get out of the economic morass into which State Department and Economic Cooperation Administration officials think the Marshall-plan countries are drifting.

The United States experts say this is the main problem: The Marshall plan for European recovery depends for its success not only on United States aid, but on sharp increases in Europe's exports to the world in general and to the United States in particular. Because of customs barriers, high production costs with resulting high prices, and unrealistic planning, Europe's exports have been too low to keep the Marshall-plan countries financially solvent. That's where the new plan for guaranteed markets for European exports comes in.

The basic concept is not new. The International Trade Organization charter, signed by United States officials but not yet ratified, paves the way for such trade deals. The International Wheat Agreement, which became effective August 1, is an instance where the United States has already bound itself to this type of marketing plan—though in this case as an exporting nation. Under the wheat pact, importing nations promise to take specified amounts of wheat from exporting countries at set ranges of prices.

As early as 1945, there was a proposal for an international commodity stabilization agency, to guide trade deals. This was to have been part of the Bretton Woods agreement which resulted in the International Monetary Fund and the World Bank. But negotiators dropped this phase of the plan before the Bretton Woods conferences.

In the economic-expansion bill, submitted to Congress by Truman Fair Dealers, there is provision for \$500,000,000 to boost imports of certain materials from underdeveloped areas. Another \$7,000,000,000 would be earmarked under the bill for development loans to these areas and trade guarantees aimed at boosting world commerce.

NO FORMAL PROGRAM

No formal trade-deal program has yet been drafted, however, to aid Europe specifically. Talks about guaranteeing markets for her exports are still in the bull-session stage in the State Department, the ECA, and the Interior and Agriculture Departments. There's a good deal of informal support, however, for some kind of a moderate guaranty, and backers are thinking in terms of about \$500,000,000 to \$1,000,000,000 in trade guarantees over a year or two.

There's plenty of opposition to the plan, to be sure. A strong group pans the proposal as a move toward state trading. "The whole thing's ridiculous," says one State Department trade specialist. "We'd have the Government running a big chunk of the import business in no time."

United States officials are working on many ideas for helping Europe, and these discouraged men jump for every straw. As one of them says, "No idea is too ridiculous for us to at least look at." Other officials stress that Congress is now in no mood to vote more gift funds, so some indirect way has to be found to aid the Europeans.

The suggestion for guaranteed markets for Europe's exports is one of the indirect ways of getting more dollars to the Marshall-plan nations. The proponents emphasize that, if adopted, it wouldn't be the main solution. They are still a little vague on just how the scheme would work.

Some specialists propose setting a guarantee of, say, so many tons of rubber a year. If private trade in the United States—plus normal Government purchases for stock piling—absorbed all this rubber, well and good. If not, the Government would agree to buy what private trade didn't take. Rubber would be added to the Nation's strategic stock pile.

MORE PLANNING

Other officials—and these are in the minority—want the Government to go further and support prices. Say we're still using rubber as an example. They would want Federal agencies to step in and buy up the imported rubber for stock piling, not only when the import quota wasn't all purchased privately, but whenever the United States price went below a fixed level. This would keep prices up to a normal level, they insist, and aid the European exporters. Meantime, they'd have the Government keep this specially purchased rubber for reselling into private channels when rubber gets scarce.

Another group of officials and Congressmen would prefer more indirect Government guarantees of markets. These planners say United States importers should be encouraged by protecting them against loss. This idea is written into the so-called Murray bill, the economic expansion measure, which would give the Government sweeping powers for boosting industrial capacity and output at home and abroad.

Under this proposal, private traders would be encouraged to import raw materials and commodities important for United States industry, on long-term contracts. If the private dealers were unable to resell their purchases, the Government would buy them. If no private trader wanted to make the long-term commitments, the Government would make the contract. The commodities would be held by the Government for resale at prices no lower than the prevailing market, except when market prices were found to be artificially maintained.

The Government officials who wrote the bill thus put themselves in this incongruous position: They want power to force prices down if they feel private traders are keeping them too high artificially but want power to hold them up artificially themselves.

Officials admit privately they think none of these plans has a chance of passing this session of Congress. But they point out that the mood of the lawmakers next session may be different.

By that time, one ranking official says, "the United States will begin to feel the pinch of declining exports. Americans will begin to think of this, not as a British or European problem but as an American problem." Then will be the time, he adds, for coming up with more aid-Europe measures.

Mr. FERGUSON. Mr. President, I ask unanimous consent that I may make a few remarks on this question, without

the Senator from Missouri losing the floor.

The PRESIDING OFFICER (Mr. HOL-
LAND in the chair). Is there objection
to the request? The Chair hears none,
and it is so ordered.

Mr. FERGUSON. Mr. President, I
realize we have spent considerable time
on the pending bill; and if it were not
for the fact that I believe this is a highly
important question and that our think-
ing on a question of this kind can be a
crossroads with respect to what may
happen in the future, not only in
America but in the world, I would not
take the time of the Senate for these
remarks.

I feel that in the past we have been
unable in our national thinking to grasp
certain world problems, and for that rea-
son we have been unable to find solutions
for them. I go back to the day when
America did not consider communism in
its vilest form to be a menace to the
world, to the day when we did not un-
derstand communism. I am satisfied if
we had understood the true meaning of
communism we would have been able to
cope with it at the time of our recogni-
tion of Russia. But we did not then
recognize the fact that communism was
a movement for world revolution, with
its foundation in Marxism or socialism.
Its economic system is socialism. When
they socialize, as they say, the proletariat
comes into power. Circumstances re-
quire that there must be a temporary
dictator "to preserve the liberties of the
people," sufficiently so that socialization
may continue to the point where no gov-
ernment will be needed. That is Marx-
ism. Communism is socialism in a
hurry.

We have not always seen communism
as it really is. But something happened
in America's thinking at the time we de-
cided we would make a grant-in-aid to
Greece and Turkey. That was really the
first time we realized that if communism
spread in those countries it would affect
the welfare of America. We determined
we were going to try to stop it there.

But at the same time, the identical
problem arose in China. With respect
to China we lulled ourselves into a sense
of security by saying the Communist
movement in China was an agrarian re-
form movement. We said, "Yes; we
know it is communism, but it is Chinese
communism and therefore does not have
all the evils of Russian communism." We
sent one of our great generals to
China with the idea we could unite the
Chinese Nationalists with the Commu-
nists, not realizing the latter were one
and the same thing with world revolu-
tion under Russia.

Mr. MALONE. Mr. President, will the
Senator yield?

The PRESIDING OFFICER. Does the
Senator from Michigan yield to the Sen-
ator from Nevada?

Mr. FERGUSON. I am glad to yield.

Mr. MALONE. I should like to ask the
distinguished junior Senator from Mich-
igan whether, when, as he says, "we
thought it was an agrarian communism,"
it was not simply the State Department
thinking which was accepted by enough
people in America to allow that idea to
gain a foothold?

Mr. FERGUSON. I think that is true.

Mr. MALONE. In other words, it had
nothing to do with any independent
thinking in the matter. It was merely a
matter of one of our great generals, Mr.
Marshall, being sent to China. He may
have been a good general, but he knew
nothing about China and, apparently,
nothing about communism. Was he not
the same general, I ask the junior Sen-
ator from Michigan, who attended the
President at Yalta, where Russia was
given a foothold in Asia through the
gift to Russia of Manchuria?

Mr. FERGUSON. Yes. The situation
was such at the time that our people
were blind to the real force of com-
munism.

Mr. MALONE. I should like to ask the
distinguished junior Senator from Mich-
igan, was it not the same general who
advised the same President at Yalta,
when Berlin was given to the Russians
without any means of access to the city,
precipitating us into the great fiasco of
hauling coal at \$500 a ton by airplane for
nearly a year? Was it not the same
general?

Mr. FERGUSON. It was.

Mr. MALONE. It seems to me the
mistakes which occurred as far back as
Yalta should not be continued indefi-
nitely and continually repeated. Nearly
everyone whom I consulted in China
last year understood perfectly well that
China was being lost. It was not a ques-
tion whether China was being lost; it was
a question of whether she was important
to our ultimate safety. My statements
released in China at the time simply
stated that we must make up our minds
whether the integrity of China was im-
portant to our ultimate peace and safety.
Apparently the State Department did
not think so.

I wanted to clear the atmosphere. We
were told by the State Department that
there were agrarian Communists. Most
everyone now seems to have awakened to
the fact that China has been swept away,
but we were lulled to sleep by the State
Department. Many informed persons
think that the agrarian Communists will
be in Canton within 3 months, and that
they can take the remainder of Asia at
their leisure. In Indonesia, for exam-
ple, the Dutch have been spending a mil-
lion dollars a day of United States money
to keep their foothold there; they have
lived off of Indonesia for 300 years. The
French in Indochina are doing the same
thing on a smaller scale.

I should like to say that in Saigon,
Indochina, there is plenty of housing.
The people of Asia, including Indonesia,
Malaya, and Indochina think that we are
trying to save the colonial system in Asia
and Africa for the three nations men-
tioned, while the Russians are promising
them relief from the colonial yoke. That
makes the Russians heroes in their eyes.
In my personal opinion we cannot hold
the colonial system in Asia another 5
years.

Mr. FERGUSON. I thank the Senator
for his remarks.

Mr. LANGER. Mr. President, will the
Senator yield?

Mr. FERGUSON. I yield.

Mr. LANGER. While the war in China
was going on, where was the Committee
on Foreign Relations?

Mr. FERGUSON. It was in Washing-
ton. I am not trying to be facetious. It
was here conducting negotiations, so far
as the Senate was concerned. But I
want to say that I do not think we can
blame the Foreign Relations Committee,
because so few matters of foreign rela-
tions are actually taken up officially with
the committee that its functions are not
so broad as they might be in the solution
of these problems.

Mr. LANGER. If the Senate Foreign
Relations Committee had said the policy
was wrong and had told this body, there
would not have been any appropriations
voted by the Senate until the Foreign
Relations Committee got the secret
agreement and found out what it was all
about.

Mr. FERGUSON. Joint sessions of the
Congress were addressed by the Presi-
dent of the United States and they were
told that there were no secret agree-
ments. So I do not blame the Foreign
Relations Committee for accepting the
statement of the President of the United
States to the joint session of the Con-
gress.

Mr. MALONE. Mr. President, will the
Senator yield further?

Mr. FERGUSON. I yield.

Mr. MALONE. I should like to inquire
of the distinguished junior Senator from
Michigan if it is not true that there was
another great general (General Wede-
meyer) who was sent to China and who
made a report to the State Department
which was suppressed for a long period
of time. Is that correct?

Mr. FERGUSON. That is correct. It
came out last week.

Mr. MALONE. There must have been
some reason for the suppression of that
report. Is it possible that General
Wedemeyer did not agree that the China
Reds were of the agrarian type, and
that the Foreign Relations Committee
of the Senate did not have access to the
Wedemeyer report?

Mr. FERGUSON. I believe the com-
mittee did not have access to it.

Mr. MALONE. And could not get it?

Mr. FERGUSON. I do not know
whether they tried to get it. I under-
stand they did not have access to it.

Mr. MALONE. One further question,
if the Senator will permit me.

Mr. FERGUSON. I yield.

Mr. MALONE. Does the Senate For-
eign Relations Committee have the re-
sponsibility of advising the Senate on
foreign affairs?

Mr. FERGUSON. As to legislation,
that is correct.

Mr. MALONE. Does the distinguished
Senator from Michigan believe the com-
mittee discharged its responsibility?

Mr. FERGUSON. Yes, so far as it had
the knowledge. The idea prevails that
the conduct of foreign relations of
America is vested in the Chief Executive,
and that he has the right to carry them
out without much, if any, consultation
with the Senate.

Mr. MALONE. If the distinguished
Senator will yield further, it was never
my understanding that the Senate was
to take the advice of the President, but
that its knowledge was to come through
the Foreign Relations Committee.

Mr. FERGUSON. The point is that
we are constitutionally limited as to what

we can do. We can act only when matters are presented in one of two ways, either as treaties to be ratified or as nominations of those who are to carry on our foreign relations, which are to be confirmed.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield.

Mr. MALONE. It is a terrific surprise to me that the Foreign Relations Committee seems to want us to believe now that they do not agree with what we have been led to believe was their position for the 2½ years during which I have been a Member of the Senate. The junior Senator from Nevada thought that the Foreign Relations Committee approved the policy which we are following. I have sat in the United States Senate hour after hour and heard the plan outlined at great length by members of the Foreign Relations Committee. Does the junior Senator from Michigan now say that the Foreign Relations Committee did not agree with the State Department?

Mr. FERGUSON. I am not speaking for the Foreign Relations Committee. I am of the opinion that the committee did not see the Wedemeyer report.

Mr. MALONE. That was merely an incident. I am simply trying to find out now whether the Foreign Relations Committee, upon which the majority of the Senate apparently depended for their information, has now divested itself of all responsibility for all the things we have been doing?

Mr. FERGUSON. I have no such knowledge or information. I do not understand that the committee is in any way indicating that it wants to abdicate and not perform its functions.

I wish the Senator would propound these questions to a member of the Foreign Relations Committee.

Mr. MALONE. Mr. President, if the Senator will further yield—

Mr. FERGUSON. I yield for a question.

Mr. MALONE. I am sorry I misunderstood. I thought the Senator was saying, "we thought," which is rather all-inclusive. I took it to refer to the Foreign Relations Committee of the Senate.

Mr. FERGUSON. When I used that pronoun I was referring to the Government of the United States, which, in foreign relations, is the executive department. That might clear the record.

Mr. MALONE. We merely financed the plan and I suppose were not supposed to understand it.

Mr. FERGUSON. The "we" certainly did not include the junior Senator from Michigan, and I take it from the Senator's questions that it does not include the junior Senator from Nevada.

Mr. MALONE. I think the record has been made clear over the past two and a half years that many of us did not believe in it and the results show that we have been foolish. But the Senate of the United States, regardless of the way in which the junior Senator from Nevada voted, did appropriate large sums of money for the carrying out of the foreign policy approved by the Foreign Relations Committee. We were never advised by

the committee that it should be changed in any way. The Foreign Relations Committee is the only one of which the junior Senator from Nevada knows that could do it. To hear now that we thought this or that, or that the policy is entirely unsatisfactory to this committee, comes as a shock. Many of us never did agree with it—but were outvoted.

Mr. FERGUSON. I will change the word "we" to indicate that it means the executive branch of the Government. I think that may clarify the matter which the Senator from Nevada has brought up.

Mr. President, I was saying that some persons in high places in America, with the right to make our foreign policy, did not properly evaluate communism, did not understand communism, and did not appreciate its force in the world as a revolutionary power—what it would do and what it would accomplish if it were permitted to move on.

There is a sentence in the letter of transmittal of the white paper which I wish to read and comment on:

For reasons of military security and for those only it was considered too dangerous for the United States to consult with the National Government regarding the Yalta agreement or to communicate its terms at once to Chungking.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MALONE. I am very much interested in what the junior Senator from Michigan is saying. Does the Senator from Michigan understand that it was our Government which put the pressure on Chiang Kai-shek, as the head of the Nationalist Government, to agree to the Yalta agreement terms as to the transfer of Manchuria to Russia?

Mr. FERGUSON. The Yalta terms were all agreed upon without consultation with the Nationalist Government of China. What I was just reading indicated that the State Department said that it was not even transmitted to them. It was agreed between the President of the United States and the head of the Russian Government, Josef Stalin. Chiang Kai-shek, for the National Government of China, was not present, and was not considered in connection with this question.

Mr. MALONE. Was it not presented to Chiang Kai-shek, the Generalissimo, later, and then, under pressure from our State Department, did he not agree?

Mr. FERGUSON. He had no choice.

Mr. MALONE. But he did agree later; did he not?

Mr. FERGUSON. I take it he did.

Mr. MALONE. Under pressure from this Government, the "we" the junior Senator from Michigan has been discussing?

Mr. FERGUSON. Yes.

Mr. MALONE. As I understand now, the Senator from Michigan did not agree with those views, and all of this was carried on without cooperation of the American people or the Congress of the United States?

Mr. FERGUSON. That is correct. This statement indicates that the President of the United States considered communism to be such that he could deal

directly with it, not even advising with the State Department. As I understand it, Mr. Byrnes, who was then Secretary of State, indicated even he did not have knowledge of the Yalta Agreement, so far as it related to the Chinese Government. But the Senator from Michigan has information which indicates that on the very day the President of the United States spoke before the joint session of Congress saying that there was no secret agreement, terms of the Yalta Agreement were transmitted to the Generalissimo of the Nationalist Government in China as an accomplished fact.

I merely bring that out to emphasize that I am convinced in my own mind that the President of the United States and the State Department did not realize what communism was at that time, otherwise they would never have made an agreement to divide Germany into four parts, and to give to Russia a part of Germany which was in effect the bread basket of Germany. If they had understood communism as it really was and is today, they would not have divided Berlin into parts, and given to the Communist regime a hundred miles of territory surrounding the entire Berlin area.

Mr. WATKINS. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield to the Senator from Utah.

Mr. WATKINS. Were not the State Department and the President in a position to know what communism was at that particular time?

Mr. FERGUSON. There can be no doubt about that.

Mr. WATKINS. Had they not information as to what Russia had done to Finland?

Mr. FERGUSON. There is no doubt that Stalin had made an agreement with Hitler.

Mr. WATKINS. I call the attention of the Senator to the fact that he said he did not think they understood what communism was. As a matter of fact, were they not in possession of enough information to have given them full light on the intentions of communism, and the fact that we could not live in the same world with them, as long as they carried out their program?

Mr. FERGUSON. The reason the junior Senator from Michigan stated the situation in the way he did was that he cannot conceive how anyone who understood communism could do the things that were done. Therefore he is giving to them the benefit of the doubt, taking it for granted they did not understand the full impact and the full meaning of communism.

Mr. WATKINS. Does the Senator recall that the President of the United States denounced Russia for having made an attack on Finland, even before Germany attacked Russia?

Mr. FERGUSON. Yes.

Mr. WATKINS. And condemned the Russian regime as being as much of a dictatorship as the Hitler dictatorship in Germany?

Mr. FERGUSON. Yes, but I give the benefit of the doubt to all those who were dealing with this problem, because the junior Senator from Michigan, as he

sees and evaluates communism, cannot otherwise understand how these things could have been done by loyal and patriotic Americans. My reason for making this point today is that I am convinced, indeed I was never more convinced of anything in my life, that the people of America do not today understand socialism and do not understand Marxism. If they did they would be paying more attention to the Kem amendment to the pending bill.

That is what I want to bring out by the statement I am making before the Senate. I am convinced that if the American people, if the Congress of the United States of America, realized the evils of socialism, they would not stand idly by, as we stood idly by while the truth about communism was slowly dawning. That is why I am now addressing the Senate. It is because I feel so keenly about what socialism is, as I see socialism in Great Britain and elsewhere today. I am pleading with the British people to appreciate what socialism means and not to go further down the road to socialism, because the junior Senator from Michigan feels warm-hearted to the British people. I hope they will see socialism as it really is. I hope they will see that after they have gone down the road to socialism, they can never return to individual enterprise.

What will it lead to? Every socialistic step leads to more controls. And more controls ultimately and inevitably will lead to dictatorship and such a dictatorship will be as evil as was the dictatorship of Germany, and as evil as the dictatorship of Russia is today. I hope the British people will realize that meaning of socialism.

A Senator of the United States said to me yesterday, "I do not think we can put this provision into the bill. The reason is that it would be dictating the domestic policies of the British Empire, particularly of England, and they would resent it, and instead of our getting rid of the present Labor Socialist Government we would be giving it more power, and it would win at the next election."

Mr. President, that is an argument which anyone can understand, but I do not see the situation that way. The question now before the American people is, Must we, for fear of pushing socialism further on the English people, say to them, "We will not go into this question at all. We will stay away from it?" Must we tell them that we will stay away from it because we have to be careful and not have them pushed further into socialism?

I ask the Senate: Will not the fact that we do not raise the issue, and do not take our stand, through this measure, with respect to the continuance of socialization in Britain, make clear to the British people that we of America do not see what socialism is doing to Britain, that we do not fear socialism, and therefore we do not care whether or not the British people adopt socialism?

Will Britain be pushed into becoming a socialistic state more quickly and more deeply if we attach strings to the money we give her? I feel very keenly about this matter, Mr. President. I feel that

the British people will awaken if we take affirmative action. If we attach this condition to the money we give her in aid, her people will see socialism as it really is. They will realize more quickly and more certainly what socialism means to them and to the world if the Congress of the United States declares that it sees the evil of the socialism and recognizes what it means.

Mr. President, if we do not adopt such an amendment as is now proposed the people of Britain will believe that we feel socialism is merely a mild menace, that it is not going to take the people of Britain down the wrong road. If we fail to take such action, the British people will believe that the American people do not see any danger in what the British Government is doing, and have no fears of the result. The people of Britain will believe that we fail to see that the economy of Great Britain will be ruined by socializing the steel industry and further pushing the British people over the brink, to that point where they can no longer return to the individual enterprise system.

If the Senate fails to act on the Kem amendment the British people will say that the subject was debated upon the floor of the Senate, and the Senate voted, by a large majority, their belief that socialism is not an evil.

Mr. President, I say to the people of Great Britain and to the people of America today that as I see the situation I cannot do other than vote for the amendment because I believe socialism to be a great evil. I believe that Great Britain cannot survive half socialistic and half individual enterprise system, or even three-quarters individual enterprise system and one-quarter socialistic. The minute the British Government takes over the British steel business, in that minute it will begin taking over other business. That is what taking over the steel business will lead to. Do not forget that every particle of food in Great Britain is socialized even today.

I cannot sit idly by and not speak out against what I believe to be a great evil in the world. That evil is Marxism; it is socialism, which is communism in a mild form. Any nation that adopts socialism will bring dictatorship upon itself.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WATKINS. Does the Senator have in mind the situation which will exist in the matter of competition for the world's markets if the great industries of Great Britain are nationalized and come in competition in the same markets with the individual enterprise system, the private enterprise system of the United States?

Mr. FERGUSON. We know what happens in connection with every industry which is socialized. When an industry is socialized it has back of it all the power of taxation by the government, all the power of force, even to the point of economic sanctions in international relations. Therefore, the American private enterprise system, whether represented by General Motors, du Pont, or any other

large industry, will not have the power that a cartel under socialism has in the British Empire.

Mr. WATKINS. In other words, I understand the Senator from Michigan believes socialization of an industry would in effect bring about a national cartel of the business or enterprise that was nationalized?

Mr. FERGUSON. That must inevitably be the result. When the British Empire socializes the entire steel business that business becomes a governmental monopoly, a governmental cartel, and it is going to act in every place in the world as a governmental cartel. I care not how large a private enterprise may be, or how much money it has; it cannot compete with a monopoly controlled by the British Empire, which has back of it airplanes, guns, and economic sanctions and all that go with them.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. EASTLAND. Does not the danger to our industry arise from the fact that when a British industry becomes nationalized great areas of the world will be exclusively served by that industry, and American production will be excluded? The costs of operation under the private-enterprise system are lower, but even so, we cannot compete with a nationalized British industry because we will be excluded from large areas of the world.

Mr. FERGUSON. That is exactly right. British nationalized industry will not be able to produce goods at the same price as goods produced by our free-enterprise industries. But that is not the point. Nationalized industry does not have to produce at as low a price as our industry can. If the British Government controls the British industry it is a monopoly. That monopoly can press the goods of free-enterprise industries out of territories it controls.

Mr. EASTLAND. Is it not true that the United States today is being systematically excluded from areas of the world by England under the identical system which Hitler adopted in Germany, and which was one of the causes for World War II?

Mr. FERGUSON. That is true. The reason is that Great Britain today is on the road to national monopoly of all its industry, and it sees nothing else but national monopoly as a policy to follow.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. FLANDERS. I should like to ask the junior Senator from Michigan whether he would not like to add to the appeal he is making to the British people the suggestion that they are raising their own costs and lowering their own standards of living. It seems to me that any appeal to the British people must take into account the fact that they are cutting their own throats. That appeals to me very much more than any appeal based on cutting us out of areas of trade, because I think we can stand that much better than the British people can stand what is being done to them.

Mr. FERGUSON. Mr. President, I am certainly glad the able Senator from

Vermont made that statement on the floor of the Senate. It is certainly true that the harm which is being done to the British people is much greater than any harm which will be done to America. I can assure the Senate that I am not pleading today solely for the selfish interest of the American people and for their place in the markets of the world, although free markets are the cornerstone of our hopes for a free world and a world at peace. I do not believe we can have world peace if Europe becomes socialized. We cannot have world peace if the British Empire becomes socialized. Sooner or later, when the socialistic states become dictatorial, their influence will gravitate to the other dictators, and opposition will necessarily rise against our economic system and our political system. I have said before on the Senate floor that I believe this is a cold war for the souls of men, and their beliefs in security through statism or security through freedom.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I will be glad to yield in a moment. Marxism, socialism, and communism are on the one side. The free-enterprise system is on the other. I understand that Socialists say, "We can have a world welfare state. We can have something like the Bill of Rights and still have socialism." They do not, however, understand socialism or they would know that within the socialistic state there cannot exist a Bill of Rights for the individual liberties of the people. Under the socialistic state the British people cannot retain the old rights for which they fought and which they gained at Runnymede in 1215, because the socialistic state and individual liberties and rights are absolutely antagonistic to each other. They will no more mix than will the communistic government of China and the National Government of China, or water and gasoline.

I now yield to the Senator from Mississippi.

Mr. EASTLAND. The Senator speaks of world peace. Will he please explain how we can have world peace if the world is split up into areas of influence in which only one country can do business, and other countries are excluded? Will not the result be a depression in this country and in the world?

Mr. FERGUSON. Certainly we cannot have world peace under those conditions. That is why the North Atlantic Pact aims to provide for freedom of movement of individuals and raw materials between one country and another, uncontrolled by government monopoly or cartels.

Mr. EASTLAND. How can the American people be accused of selfishness in insisting upon the principles which are necessary to preserve the peace of the world?

Mr. FERGUSON. I have never felt that it was selfishness to point out to one's fellow citizens and to the British people, and the people of the earth, the evils of socialism. We get our common law, and many of our principles of government, from the British people. To-

day they should welcome a warning as to what is going on. It does not represent outside interference, or selfishness. I am satisfied that if the British people realized what socialism is they would throw it off, because if there is any nation in the world that cannot make a go economically under a socialistic regime, it is the British Empire. For centuries the British Empire has lived upon interest and dividends from the stocks and bonds and capital investments the world around. Now they are changing their entire economic system and trying to do away with stocks and bonds. How can they survive with no more dividends and no more interest? How could America survive with a Socialist government?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MALONE. I am intensely interested in the Senator's remarks, to the effect that socialism cannot live alongside capitalism. As a preface to my question, let me say that a year ago last March, in 1948, I called attention to a statement made by Mr. Bevin and Mr. Wilson, of England. They said they wanted to be the "bridgehead" between Communist Soviet Russia and United States capitalism, indicating that they wanted to be neutral. Is there any difference between the ultimate objectives of socialism and communism? Is it not a fact that they are both headed for the perfect state, with everything controlled by the state.

Mr. FERGUSON. That is correct.

Mr. MALONE. It is merely a matter of the route they take. In other words, socialism professes to depend upon the regular machinery of government, voting by peaceful means.

Mr. FERGUSON. They depend upon what they call peaceful or evolutionary means. Communism is revolutionary, with precipitate and bloody means.

Mr. MALONE. But is there any difference in the ultimate end?

Mr. FERGUSON. No. They are one and the same thing, as I am trying to point out. I hope I may be able, in a small way, to point out that they lead down the same road, to dictatorial power and dictatorship. Both arrive at dictatorship, one directly, the other ultimately and inevitably. Dictatorship is that which takes the liberties of the people into its possession and says, "Wait a while. We will keep these powers until you are able to carry on without a state." As one who has spent his life in the law, I regard that as an idle dream. The time will never come when the people of the world can live without government, without criminal law, without some control of those who would overthrow the principles of democratic government, and even religion, in this country and all other countries.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. MALONE. As a preface to my next question, I may say that I discussed this subject before the Senate a year ago last March. I said then that there is no

difference between the objectives of the two forms of government, just as the able Senator from Michigan has pointed out. A member of the Foreign Relations Committee took violent issue with me on the floor of the Senate. He stated that nothing like that could happen.

Is it not probable, in the light of history, that the ultimate objective of all controlled governments, whether they be socialistic or communistic, is the same? The beginning of control is the beginning of dictatorship. One control leads to another, and finally complete dictatorship is the ultimate and inevitable result of either system.

Mr. FERGUSON. That is as the Senator from Michigan sees it. There can be no doubt about it. The reason I have taken the floor today is to plead with my fellow Senators and with the British people to see the evils which characterize socialization, and the road down which socialization will lead them. There are none so blind as those who will not see.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. MALONE. I believe the Senator is doing the United States Senate a great service in calling attention emphatically and in a forceful manner to the almost criminal lack of a consistent foreign policy. It may be said that we are responsible for financing a Socialist system of government. Therefore we must take our share of responsibility. Mr. Churchill and most of the other great leaders in Europe and in Britain have said that if we were not financing the British Socialist government it would fall, and be replaced by a more conservative government. A few days ago a great leader in Belgium said, "Belgium cannot yet afford socialism." In other words, they must work, and they are working, while we support the Socialist governments of Europe.

The question of interfering with another government when we suggest how the money we give them should be expended, let me make a comparison with the affairs of a bank. A man's personal conduct is of little interest to a bank, and it is not able to interfere with his personal conduct, even though it may not be conducive to good business management. But let that man go to a bank to borrow money to finance a contract or finance something the profitable consummation of which depends upon his skill and attention, and immediately the bank has a direct interest in his affairs.

Mr. FERGUSON. That is correct. He who controls the purse strings controls expenditures.

Mr. MALONE. This is my point: The president of the bank or the cashier of the bank does not lend the borrower his own personal funds. He lends him money belonging to the depositors, and he must see that it is repaid.

Mr. FERGUSON. That is correct.

Mr. MALONE. Is there any difference between the situation involved in the bank's dealing with depositors' money and the situation of the Congress dealing with the money of the taxpayers?

Mr. FERGUSON. They are both trustees.

Mr. MALONE. In other words, the Congress of the United States has no money of its own. The only way it can get money is to take it from the taxpayers. That is true, is it not?

Mr. FERGUSON. That is correct.

Mr. MALONE. We are in the position of a trustee for the taxpayers' money, which we ourselves vote to collect. So it seems to me that we have a right to impose the conditions which we consider proper, because foreign countries are not forced to take the money. But if they take the money, they should take it under conditions laid down by Congress.

Mr. FERGUSON. That is correct.

Mr. KEM. Mr. President, will the Senator yield for a question at this point?

Mr. FERGUSON. I yield.

Mr. KEM. Is there not one important difference in the comparison made by the Senator from Nevada of the relationship between the Congress and the taxpayers and the relationship between a bank and its depositors? The depositors place their money in the bank voluntarily. The taxpayers have it taken from them by compulsion of law.

Mr. FERGUSON. That is correct.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. JENNER. I should like to ask the distinguished junior Senator from Michigan what the difference is between the situation of the British and our own situation. As I understand, Britain's difficulty today is that she is spending more than she earns. Is not that correct?

Mr. FERGUSON. That is correct.

Mr. JENNER. Does not the same situation exist in this country? Are we not spending more than we earn?

Mr. FERGUSON. Last year we spent \$1,800,000,000 more than we earned; I think that is the correct amount.

Mr. JENNER. And it is estimated that next year we shall have a deficit of from \$5,000,000,000 to \$6,000,000,000 or perhaps \$10,000,000,000. Is not that correct?

Mr. FERGUSON. I do not know that it will go that high, but it could.

Mr. JENNER. So I do not think we should be critical of England if we are silly enough to fall for her pleas to help her go on with socialization. If we do that, we are just like the drunkard who walks to the bar of a saloon and says, "Come on, boys; have a drink on me." But he does not have enough money to pay for his own groceries at home. Today the United States cannot pay for its own groceries, but, acting like a drunken bum, it is saying, "Come on, boys; have a drink on me."

So we should not be too hard on England if we "fall" for that.

Mr. FERGUSON. In view of the fact that Britain today, under her socialization of medicine, has purchased 45,000,000 pairs of eyeglasses for her people, one would think the people of England would be able to see the road they are traveling on and be able to turn back. Apparently there are only about 5,000,000 people in the British Isles who have not received a pair of eyeglasses under their socialization of medicine. So per-

haps they did make a good investment, if the people will use the glasses to see.

Mr. JENNER. They will not use them if we keep on "dishing it out" to them.

Mr. KEM. Mr. President, if the Senator will yield, let me ask whether he has information about the number of toupees the British people have been furnished under our ECA aid.

Mr. FERGUSON. I do not have the figures, but I understand it is greatly in excess of the number of bald heads there.

Mr. JENNER. How about the number of girdles.

Mr. FERGUSON. I do not have the figures, but I understand it is greatly in excess of the number of fat girls.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MALONE. I should like to ask the Senator if he understands that there is now before the Congress a serious proposal, on the part of several Senators, which would practically make a public utility out of all American business.

Mr. FERGUSON. Yes; I am familiar with those bills. Those who sponsor the bills seek to use the same means to stop depression that they attempted to use in January to stop inflation. The remedy they propose is the same in either case. It is Government control.

Mr. MALONE. If the Senator will yield further, let me inquire whether he is familiar with what that bill would do. Under it we shall be headed along the same road that England and all other socialized countries travel. First we must have Government control of all private business. This bill throws out the bait that if a new business is sought to be commenced or if an old business seeks to expand or to borrow money from the Government out of the \$11,000,000,000 fund, of which \$4,000,000,000 will be used for administrative expenses—and that would seem to be sufficient—the business which wishes to take such a step must obtain a permit to operate from a Government board which is to be set up. Having served for 3 years on a State public service commission, I understand something about the workings of boards. No doubt that board will determine whether the business needs the loan and whether it meets the test of necessity and convenience. Before being eligible to receive the Government money the business will have to agree to permit the Government to control the business. In other words, whenever the board thinks the business should be established the board will issue a permit for that purpose. Business will then be operated in the same manner as the railroads or other public utility under a public utility commission or under the Federal Interstate Commerce Commission.

Under such an arrangement, with the board having the means of providing for amortization over a period of 5 years, instead of 10 years, under the internal revenue act, the business will be under the direct control of the board.

Let me say parenthetically that of course the depression into which we are moving ourselves has been caused by cutting the floor from under wages and

under the proposal of the bill to which I have been referring, the Government will take over business for the alleged purpose of curing the depression.

Let me ask the Senator from Michigan whether he sees any difference between that type of procedure and the socialization of industry in England.

Mr. FERGUSON. Only that when the people of the United States wake up to what is going on, they will check it and throw it out. That is the difference.

Mr. MALONE. It is my opinion that if the Congress were allowed to go home for 60 days, what the junior Senator from Michigan has just stated would occur. I think he is absolutely correct about that, but unless a check is soon put on such operations, it may be too late.

Mr. FERGUSON. I think a visit to our respective constituencies would be of great benefit to the legislative process.

Mr. MALONE. Mr. President, if the Senator from Michigan will yield further, let me inquire whether he agrees that the proposal of the bill to which I have been referring is based on the same old plan of having the Government take charge of all business and also going into deficit financing.

Mr. FERGUSON. Oh, yes. The lawyers and economists in various Government departments are attempting to be the planners and the ones to chart the course. The course they are proposing would result in what the Senator has indicated.

Mr. MALONE. Under these arrangements, England and various other nations of Europe are included in our budget. They are as much a part of it as the Department of the Interior. I wonder whose budget will we get in on, after we are unable to squeeze any more money out of the pockets of the American taxpayers?

Mr. FERGUSON. We have no place to go except to the American people.

Mr. President, as I said when I began my remarks, I feel that this matter is of such importance, not only to the people of the United States, but to the people of the British Empire and to the people of the world, that I believe I would not be doing my full duty as a United States Senator if I did not take the floor at this time to make this statement. I have sought to describe how I feel about the great problem of the world today, the great cold war between totalitarian, communistic, and socialistic power on the one hand, and the Republic we have in our country and the enterprise system of the United States, on the other. It is a battle, and we have reached the critical point. In other words, we are at the crossroads. The fate of mankind hangs in the balance.

Therefore, I rose on this occasion to state how I feel about the whole problem. I hope the British people will feel that this proposal is not directed against them for any purpose of damaging them or reflecting upon them. To the contrary, they should realize that our purpose is to aid them and to enable them to continue on the great road they have traveled in the past. After all, they founded the common law. They estab-

lished governments around the world, so that it could truly be said that the sun never set on the British flag. They have a place in the world. It is too bad that they have undertaken this step down the road of socialization, which ultimately will destroy all for which they have stood in the past. In time it will envelop, and could destroy, the things for which our institutions stand. I hope they will realize that, and will understand that the position we take on this matter is not an attempt by outside forces, by foreigners, by people in the United States, to dictate the domestic policy of Britain; for that is not our purpose. Our purpose is to do nothing but wave a flag of warning, to say to them, "Here is the evil road ahead. If you voluntarily go down it, you will not receive the aid of the taxpayers of the United States, who have furnished this aid to you out of their earnings in a republic, under an individual enterprise system. We would not have you feel that we believe you are on the right road, when we know as a matter of fact you are on the road that will destroy not only free free institutions, but the very existence and welfare of your people."

Mr. MALONE. Mr. President, will the Senator yield for one more question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nevada for a question?

Mr. FERGUSON. I yield.

Mr. MALONE. I should like to ask the distinguished junior Senator from Michigan whether he is fully aware—and I am sure he must be—that the money we have already furnished Europe has been utilized to manufacture and deliver the goods mentioned in 88 trade treaties which Marshal-plan countries have made with Russia and with the countries behind the iron curtain since World War II? Is he aware further that each of the 88 trade treaties, 4 of which I submitted for the record during the initial ECA debate—and listed the entire number at that time, covering the sending of processed materials, manufactures, goods, machinery, tool steel, ball bearings, engines, locomotives, and everything needed by Russia and the iron-curtain countries for the consolidation of their gains in Europe and also in Asia, and that the treaties are being financed by ECA funds? In other words, is the Senator aware that those treaties are being carried out through our aid of raw materials and money furnished by the United States for the establishment of plants and for the processing of goods comprising a manufacturing in transit rate?

It seems to me it is time for us to call the roll, to check to see against whom the cold war is being waged, especially since the bilateral treaties have been made in flagrant violation of all agreements between our country and England, including an agreement under which Britain is to receive several million dollars worth of grain and foodstuffs, in exchange for machinery which will be shipped to Russia. Moreover, in South America, in areas which have been taken into the sterling bloc, Argentina for example, Britain is buying meats, and

shipping oil, the drilling, prospecting for, and processing are all being financed with United States money. This agreement practically stops all shipments of petroleum products from this country to the Argentine. In view of all this, I want to ask the distinguished Senator from Michigan whether he thinks the proposed amendment in fact goes far enough?

Mr. FERGUSON. Yes; I think the Kem amendment, which is to apply to socialization in the future, is the flag of warning, as the American people see it, and it can save not only Great Britain but the other European countries, because there will be no doubt as to where we stand. I cannot at this time comment on the various treaties. I have heard them discussed by the Senator from Nevada on the floor. He is familiar with those facts, and I could not add anything to his statement of what is being done under the treaties at the present time.

Mr. MALONE. Mr. President, will the Senator yield for one more question?

Mr. FERGUSON. I yield.

Mr. MALONE. Is the Senator from Michigan familiar with the fact that both England and France have separate nonaggression pacts with Russia, which say in so many words that England and France not only will assist Russia economically, following a war, which they are doing, but also that they will not join any alliance affecting interests which are not common to, or to the benefit of, the principal parties to those treaties?

Mr. FERGUSON. Yes; I believe those are the terms of the treaties. But England and France say the provisions have not been violated by them in entering into the North Atlantic Pact with us.

Mr. KEM. Mr. President, I should like to say at the outset of my remarks that as I proceed I invite any inquiries which may be addressed to me by any Member of the Senate. I shall be particularly glad if those who do not agree with what I have previously said or with what I am about to say will interrupt me so that the facts I have stated and which I propose to state, together with the principles upon which I am relying, may be tried out in the crucible of debate.

What has been said by the eminent Senators who have preceded me, it seems to me, goes to the very warp and woof of western civilization as we know it. If these principles are unsound, if they do not apply to the subjects which we have under discussion, it seems to me it is incumbent upon those who are opposed to the amendment to advise the Senate and the American people why the principles do not apply, and why the facts we are asserting are unsound or are untrue.

It seems to me in the course of the discussion today the idea has been presented time and time again that we in the United States are ourselves becoming enmeshed in socialism and in the devices of the so-called welfare state. There came to my attention today for the first time a wireless bulletin issued by the Department of State under date of August 5, 1949. The bulletin carries the heading, "Prepared by International Press and Publications Division, OIE, and

transmitted overseas for information of foreign service officers and for publication of appropriate parts in foreign press."

In other words, Mr. President, I take it this wireless bulletin is sent out by the State Department with the express idea that it contains desirable information to come to the knowledge of the Foreign Service officers and to be published in the foreign press. The portion that particularly intrigued me is the Foreign Service section, to which this note is appended: "For information of missions and not for publication." In other words, I take it that what I am about to read, the State Department desired to bring to the attention of the Foreign Service officers of our Government abroad, but did not mean to authorize its publication by them.

There appears under the section to which I have just referred, under the heading "Comments on English journey," reference to an article by Miss Margaret Marshall, appearing in the magazine *Nation*. This statement is then made:

Miss Marshall believes Britain "may be expected to continue her experiment in democratic socialism" and principle of "fair shares" for all and comments:

If we have any sense as a nation we will realize that "fair shares for all" is the condition of England's psychological health—as it is also only real defense, in Britain or any other country against blackmail of communism.

I come now to the sentence to which I invite the particular attention of Senators, reading as follows:

And we will support Britain's recovery with security even if it costs us the price, say, of a few atom bombs or 6 months of war.

I take it, Mr. President, that what is occurring is that the State Department is sending to the foreign officers of the United States throughout the world a statement—a quotation, it is true—to the effect that we will support Britain's recovery even if it costs us the price of a few atom bombs with 6 months of war.

Mr. President, under those circumstances, is it not time for us to stop, look, and listen?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Of course, we are getting into the field of conjecture when we talk about estimating the time a war might last. Does the Senator from Missouri have any idea that a war with a great nation such as Russia could be terminated within 6 months?

Mr. KEM. I take it that if the quotation disseminated by the State Department means anything, it means that we would be willing to spend a few atom bombs and a war of 6 months' duration to support the socialistic regime of Great Britain.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. KEM. I shall be glad to yield.

Mr. MALONE. Of course, our experience, in the opinion of the junior Senator from Nevada, would not exactly include a war that could be turned on and off like a spigot, that we could conduct it

for 6 months and then quit. Does the junior Senator from Missouri agree with that idea?

Mr. KEM. It seems that the writer believes that we can turn it on for 6 months, and then if we have not at that time successfully defended the socialistic regime of Great Britain, we can turn it off.

Mr. MALONE. I should like to make the further comment that many authorities throughout the world, in their serious moments, in speaking of a possible world-war III, have gone so far as to say that the war might last 15 to 20 years. That is a serious consideration.

Mr. KEM. I certainly agree with the Senator from Nevada that it is extremely serious, but apparently the more or less astute observer who is quoted by the State Department for the information of our foreign offices throughout the world believes that 6 months would do the job, or that we should not commit ourselves for more than 6 months to accomplish the purpose.

Mr. President, in yesterday's Washington Post there appeared, under date line of London, August 6, an Associated Press dispatch from which I quote in part:

A Labor Party source expressed indignation at the proposal of Senator KEM, Republican, of Missouri, to cut off American help from nations which nationalize basic industries. The question of nationalization is one of the hottest political subjects in all England. "That would be a direct violation of American high-level promises to keep out of the internal policies of Marshall-aid nations," he said.

I should like to ask just who the high-level Americans are who made these promises, and exactly what was their authority for such promises. Is it not clear, Mr. President, that any authority they might have to make representations to any foreign nation could be based only upon the action of the Congress of the United States? Do we have anyone in the Government who is authorized and directed to make representations to foreign governments which go beyond what has been authorized by the Congress?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I shall be glad to yield.

Mr. MALONE. Does the Senator from Missouri recall that practically all the foreign policies and agreements put before the Senate of the United States in the past 2½ years had already been agreed upon, that before they were presented to the Senate they were sold to the American people through the press, and by the time they came to the Senate it has been represented to be a breach of faith on the part of the Senate if it debates the question at any length, let alone to turn down the proposal?

Mr. KEM. I think that is undoubtedly true. Certain instances of that kind have occurred in which the State Department held out representations as to what it expected the Congress to do. But it so happens in this instance that Congress has already acted in the matter. When

we passed the original ECA authorization act we laid down certain conditions upon which American aid would and would not be granted. The point I want to make is that if any of the high-level American sources referred to made any representations to the contrary, in the first place, they were not authorized, and, in the second place, the persons to whom the representations were made were charged with notice of what the American law was in respect to those representations. Any aid that has been granted by the United States under the so-called Marshall plan is authorized by the Foreign Assistance Act of 1948, which was signed by the President of the United States on April 3 of that year. That act provides in section 115 for certain bilateral and multilateral undertakings. The Administrator of ECA is authorized to enter into agreements only upon certain conditions. In other words, he is authorized to require that any participating country which deals with him shall enter into certain agreements as to what it will and will not do.

When the Administrator, Mr. Hoffman, was before the Appropriations Committee he stated that he had entered into a large number of agreements and that the agreements were then in full force and effect. Let us see whether those agreements are any different in effect from what is now proposed in the pending amendment. I should like to sketch very briefly the conditions which the Administrator is authorized, under the existing law, to prescribe. In the first place, he is authorized to make conditions promoting industrial and agricultural production. In that connection it will be remembered that Mr. Hoffman was asked, when he was before the Senate Appropriations Committee, as to the effect of nationalization or socialization of production processes, and he replied, without qualification, that socialism slows down the process. He is directly authorized to make conditions promoting industrial and agricultural production. If he wanted to say to any of the participating nations, "If you socialize or nationalize any more industries I am going to cut off your aid," is there any possible contention that he would not be authorized to do that? If such a contention is to be made it would be very interesting to hear it made during the course of this debate. So far, in discussing the matter, I have never heard it suggested.

If, under the existing law Mr. Hoffman is already authorized to make such a condition, how can it be said that it is an unwarranted interference in the internal affairs of a foreign nation for Congress itself to make such a condition? Is it a perfectly proper and warranted and usual condition for our agent, the Administrator of the ECA, to make such a condition, and does it become improper and unwarranted and unusual when the Congress itself makes the condition? If there is a difference, let those who are urging it point it out.

Mr. JENNER. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I am glad to yield to the Senator from Indiana.

Mr. JENNER. Has it not been the policy of the same State Department to inject its ideas into many other governments all over the face of the earth? For example, I will ask the distinguished Senator if the State Department has not laid down certain conditions against Spain, as to why she cannot and should not have money.

Mr. KEM. Yes; and Mr. Acheson has given us the benefit of his views on that subject. I think I can refer to them, if the Senator will bear with me for a moment.

Mr. Acheson, according to an article appearing in the Washington Post of July 14, 1949, stated that he was flatly opposed to lending or giving Spain any American funds until Spain made certain economic reforms suggested by the United States. I invite attention particularly to that language, "until Spain made certain economic reforms suggested by the United States."

Mr. JENNER. So we inject ourselves, and lay down certain conditions as to Spain, even our State Department does that, not to mention it being done by an act of Congress.

If the Senator will yield further, did not our foreign-policy leaders send to China General Marshall, the man who was the author of the great Marshall plan for western Europe, with certain propositions for China, which were, in substance, that "if you will, Mr. Chiang Kai-shek, take the Communists into your Chinese National Government, then we will come along and help you?" Chiang Kai-shek refused, and since they would not meet the conditions which our State Department officials and diplomats laid down, we pulled the rug from under the Chinese Government, and permitted the Communists to come in and take Manchuria, and in fact all of China, practically. Did we not lay down conditions in that instance?

Mr. KEM. We certainly did, and that was done during the time when the United States was represented in China by the distinguished author of the Marshall plan.

Mr. JENNER. As a matter of fact, did not the White Paper on China, recently issued by the Department of State and discussed so much here in the last few days, lay down certain conditions which would determine in the future our foreign policy in the Far East?

Mr. KEM. I so understand.

Mr. JENNER. Then I wish to ask the distinguished Senator, who is the author of the pending amendment, why it is wrong for the American people, who cannot pay their own expenses, to lay down for a nation which has come to us with a hand full of "give me" and a mouth full of "reach" year after year certain conditions which will at least bring about greater production and cheaper production so that that country's dollar prices may be stabilized?

Mr. KEM. I have been trying to find out the answer to that for several months. I wrote Mr. Hoffman, the Administrator of the ECA, suggesting that

a good many people were interested in that question and that a public discussion of it might be of interest to the American people. He declined.

I suggested to other Senators, and the impresarios of various radio programs have suggested to them, that it would be interesting for them to air their views publicly on that subject, and, with the exception of the able and pleasant Senator from Alabama [Mr. SPARKMAN], so far as I know, none of them have been heard from.

The nearest I have seen to any official explanation of the situation appeared in the Christian Science Monitor of June 27, 1949. In that newspaper, under that date, there appeared under the by line of Mr. Roscoe Drummond a statement which purported to give the views of Paul Hoffman, ECA Administrator, regarding this amendment.

As soon as that was brought to my attention I wrote a letter to the editor of the Christian Science Monitor, in which I set out in order what I conceived to be the answers to the points made by Mr. Drummond. The first point was:

It is said that American assistance under ECA is not either underwriting or furthering industrial nationalization in any of the aided countries.

The second point made was:

It is said that, in effect, the Marshall plan is a deterrent to nationalization, and that nationalization would have gone further in Europe today if it were not for the Marshall plan.

The third point was:

It is said that the United States should not assume to dictate the internal economic affairs of any country.

Mr. JENNER. Mr. President, will the Senator yield further?

Mr. KEM. I shall yield, but I should like to say, in connection with what I have read, that the authority of the article written by Mr. Drummond was weakened to some extent by the fact that effective July 15 Mr. Drummond became Chief of the Information Division, Office of Special Representation, Paris office, ECA.

Mr. JENNER. As I understand, in this amendment the Senator is not asking Great Britain to give up what she already has done the way of socialization. She can keep her socialized coal mines, her socialized medicine, her socialized banks, her socialized railroads, so far as she has gone, her socialized radio, her socialized-postal system. The Senator is not asking her to give up those things she has already done. Is that correct?

Mr. KEM. Certainly I am not.

Mr. JENNER. All the Senator is saying by the amendment is that the Marshall plan was supposed to help the English Government out of a crisis, and the only way they can get out of that crisis is to produce more goods which would be acceptable in the market, in other words, at cheaper prices, and by succumbing to the lure of this socialized government, and a rigged monetary system, she has utterly failed, and is failing every day, even with the Marshall-plan aid.

Mr. KEM. Yes.

Mr. JENNER. It is admitted by Churchill, "Barney" Baruch, and all others who are supposed to know, that they are not succeeding. Under the appropriations we have made, Great Britain has gotten at least a third of all the money given to the Marshall plan countries. Is not that correct?

Mr. KEM. They have been getting the lion's share, to which I suppose they think they are entitled.

Mr. JENNER. Of the appropriations for last year they got well over a billion and some three hundred million dollars, did they not?

Mr. KEM. It is supposed they will receive this year \$900,000,000, but they have suggested to the OEEC that that amount is insufficient, and that they should receive \$600,000,000 more, or a total for the current year of approximately \$1,500,000,000.

Mr. JENNER. So that the amendment of the distinguished Senator is to stop a condition, a theory of government, which is destroying the very thing we are trying to accomplish, namely, to stop socialism and stop it where it is. The Senator is not trying to interfere with what England has already done.

Has the distinguished Senator from Missouri ever contemplated what might happen to this country if we should continue to give our money all over the world for socialistic experiments, at a time when we ourselves cannot pay our own bills, at a time when our deficit is far greater than that of Great Britain? Has the Senator contemplated what might happen to this country? Has he considered that, in proposing the amendment?

Mr. KEM. Mr. President, I have considered it with fear and trembling, and I have realized that many persons throughout the world think that the strategy of dictator Stalin—"Good old Joe," as he has been called—is to conquer us by bankrupting us.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WATKINS. During the interrogation of the Senator from Missouri by the Senator from Indiana [Mr. JENNER] he asked the Senator from Missouri if what he was endeavoring to do by his amendment was to stop socialism in Great Britain. I do not understand that to be the purpose of the amendment.

Mr. KEM. Not at all. The purpose is to stop the progress of socialism in all the participating countries. There has been much said about socialization in England. As a matter of fact, across the Channel in France socialization has gone much further than it has in England. England has socialized today about 10 of her basic industries, or about one-fifth of her total economy. In France already 23 basic industries have been socialized, or about two-fifths of her economy. The purpose of the amendment is not directed against Britain, as has been often said. It is directed against socialism throughout the participating countries. It is an effort to save the free enterprise system in the entire group of countries.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. WATKINS. As I understand the amendment, and I asked the Senator if this is the correct interpretation of what he is saying in effect in the amendment, it is that "No matter what you want over there you cannot count on us to give you the money to further it."

Mr. KEM. Exactly.

Mr. WATKINS. In other words, the Senator does not intend by his amendment to tell France and Britain what kind of an economic system they are to have?

Mr. KEM. That is true.

Mr. WATKINS. What the Senator is trying to say is, "You cannot use our help, you cannot call on the American taxpayer to further these schemes." Is that what the Senator means by his amendment?

Mr. KEM. Yes.

Mr. WATKINS. That seems to be a little different from what the Senator from Indiana said was the purpose of the Senator's amendment.

Mr. KEM. I think the Senator from Utah is quite right. We are not laying down to these countries any direction as to what they should do. We are merely laying down a condition to their receiving our aid. We are telling them that if they want to continue in this career of socialism they will have to go it alone; that they will be without the assistance of the money of the American taxpayer.

Mr. WATKINS. Is it not also the Senator's purpose, or does not the Senator have in mind, that by helping and aiding the socialization of the various countries we are directing a blow at our own private enterprise system of business in America?

Mr. KEM. I think there can be no question about that. We are building up great cartels, nationalist industries, in these countries which can trade all over the world. They will have the advantage of freedom of taxation at home, government financing, and monopoly of the home markets, which will put them in ideal situation to dump goods abroad.

Mr. WATKINS. In other words, they will be in position to command exclusively certain areas of the world in the way of trade?

Mr. KEM. And penalize our free-enterprise traders any time anywhere they want to do so.

Mr. WATKINS. As a matter of fact then, the Senator's amendment is in effect a defense measure proposal to defend and protect the free-enterprise system at home.

Mr. KEM. I am hopeful that if the amendment is adopted and if such a condition is placed on our aid the countries involved will see the error of their way and not continue the socialization program. In that event the effect will be what the Senator suggests.

Mr. WATKINS. Is it not true that communism itself started out as mere socialism, and finally in order to make it work it was necessary to have dictatorial power to put over that type of program, to give it a semblance of success? Is that not the danger in the socialization of government?

Mr. KEM. There can be no question that Lenin had in mind pure Marxism, and when it went into operation in Russia what we know as communism was developed as an after result. But it is the fruit of the same tree of socialism, and has its roots in the doctrines of Marx and Engels, and in that sense it is exactly the same as has already been pointed out. Therefore, the objective is the same—the abolition of private free enterprise and the free-enterprise system of production. The only difference is the means of attaining that result. The Communist says, "I will go to any extent. I will go to the extent of revolution and bloodshed." The Socialist says, "I prefer the peaceful means of infiltration."

Mr. WATKINS. Have not the Communists in effect told us that as soon as they have their system well established they will finally bring about true socialism? Do they not claim that they are using a dictatorship at the present time only in order to get the system established, and then finally when it has been established they will go into pure socialism, and thereby make unnecessary the powers they now exercise?

Mr. KEM. I think perhaps some representations to that effect have been made. To be frank with the Senator from Utah, I should not attach great importance to what they say about it.

Mr. WATKINS. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. WATKINS. Does not the Senator feel that in Great Britain, in order that the system they are now adopting, the nationalization of their industries, may have even a semblance of success, it will be necessary in the end for the British Government to have dictatorial power to put the program over?

Mr. KEM. I think that is becoming abundantly clear. I think it is clear that there is not very much difference between Sir Stafford Cripps' ideas and Dr. Hjalmar Schacht's ideas. I was very much interested in an article which appeared in the Washington Sunday Star yesterday, written by Nora Beloff, London, observer, Washington correspondent. I should like to quote very briefly from the article:

The belief is rapidly gaining ground in American business and political quarters that, from an economic point of view, British socialism is quickly developing into national socialism of the prewar German type.

This view, generally accompanied by comparisons between Sir Stafford Cripps and the Nazi, Dr. Hjalmar Schacht, is turning up with depressing regularity in public oratory, congressional debate, newspapers, and cartoons. It is also expressed in blunt language by American officials in closed-door monetary and trade talks with representatives of the British Government.

I take it that is what the Senator from Utah has in mind.

Mr. WATKINS. That is what I have in mind. It seems to me that has been the history of every one of the countries which has attempted to adopt a socialistic program. They have finally found it necessary to have dictatorial powers before they could even obtain a semblance of success, even to make it appear

on the surface to be successful, if it finally succeeds or not. As I have followed developments in England, in France, and in others countries it seems to me that the nationalization of their industries is going right on down the same road that Russia took. Unless there is a stop to it, there will be danger to our own country by reflex action. It will have an effect on our own industries and our own economic system, as well as on their own people.

I wish to observe further that it seems to me we will have difficulty in connection with the Atlantic Pact members by reason of this development, if it continues much further. If it goes to its logical conclusion they will finally find that the governments in question are not the type and kind of governments they started out with and that they will be totalitarian in effect. We will find ourselves in partnership with countries which will be blood brothers at least to Russia and Nazi Germany, and if they continue as they are now going they will assume dictatorial power. Does the Senator have that in mind in connection with his presentation?

Mr. KEM. Yes; exactly. And if we may believe the Washington correspondent and London observer, that conclusion is rapidly gaining ground in American business and political quarters.

Mr. WATKINS. Mr. President, will the Senator permit another question?

Mr. KEM. Yes.

Mr. WATKINS. As I recall, at one time many people thought that the experiment in Russia was a kind of noble experiment; that it was intended to bring greater benefits to the poor and the downtrodden. For a long time we went along with them until we finally woke up, and then we found a complete dictatorship, a more bloody dictatorship than that of the czars of Russia.

Mr. KEM. It seems that that view was perhaps held by certain persons in high places at both Yalta and Tehran.

Mr. WATKINS. I thank the Senator.

Mr. KEM. I should like to say for the RECORD that the article by Roscoe Drummond, which appeared in the Christian Science Monitor of June 27, 1949, may be found in the CONGRESSIONAL RECORD for July 20, 1949, at page A4850, under the heading "Does the Marshall Plan Aid Socialism? No." The letter written by the junior Senator from Missouri to the editor of the Christian Science Monitor appears at the same place in the RECORD, under the heading "Does the Marshall Plan Aid Socialism? Yes."

I wish to animadvert on the statement of the high source in London who is quoted in the Associated Press dispatch of last Saturday to the effect that for us to place a condition on American aid, as proposed in this amendment, would be a direct violation of the American high-level promises to keep out of the internal policy of Marshall aid countries.

I was saying that the original authorization act, under which the Marshall plan was established, provided for certain agreements as to conditions to be imposed by the Administrator in extending aid, which conditions were to be embodied in so-called bilateral or multi-

lateral agreements. The first condition in the group of conditions to which I referred was as follows:

1. Promoting industrial and agricultural production.

Other conditions are:

2. Taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

3. Cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services.

4. Making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country.

5. Facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of times as may be agreed to, and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources.

6. Placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis.

That was the origin of the so-called counterpart funds, which, incidentally, have been used to the extent of more than \$400,000,000 to retire the national debt of Great Britain.

The Administrator is authorized to make agreements—

7. Publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title.

8. Furnishing promptly, upon request of the United States, any relevant information which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title.

9. Recognizing the principle of equity in respect to the drain upon the natural resources of the United States.

10. Submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

Under those circumstances it seems perfectly clear that the framers of the Marshall Plan Act intended that certain strings should be placed upon the use of the Marshall-plan money. The Administrator of the ECA was authorized and directed to enter into contracts with the participating countries with reference to those conditions.

It is said that we should not interfere. Can it be said that any country can agree to these conditions, or almost any one of them, without subjecting itself to interference by the United States in its affairs? Take the condition of "furnishing promptly, upon request of the United States, any relevant information which

would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title."

Could there be any greater interference than the right of the United States to demand information as to the operations of the government of the participating country?

Mr. President, I think we will all agree that it is the ardent wish of the American people not to interfere in the affairs of any foreign country. But when foreign countries come to us and ask us for great sums of money representing taxes levied upon the American people, those countries make their affairs our affairs. They place themselves in the position of necessarily submitting, if they want the money, to reasonable conditions which may be imposed by the American Congress upon its use. That is all that is being sought by the pending amendment. The Congress of the United States is asked to place a condition upon the further use of our money in any of the participating countries.

We may say that we do not want to interfere in Great Britain. We have a dispatch from London saying that the mere suggestion of this amendment has aroused great denunciation. Very well, Mr. President. What is sauce for the goose should be sauce for the gander. Great Britain has been aiding other countries and sending money all over the world in the form of grants and loans. What did she do when she sent the money? Knowing the British character as we do, we ought to know that the British imposed conditions on the use of their money. I shall undertake to show that that is exactly what has taken place.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. WATKINS. Is it not true that what we are doing over there by helping Great Britain at her request and upon her supplication is having a profound effect upon the domestic affairs of the United States?

Mr. KEM. I am sure it is. I am sure that the sending abroad of such tremendous amounts of money cannot help but have the effect of weakening our own economy. Let me make this suggestion to the Senator: When we build an electric plant in the Tennessee Valley, the Sacramento Valley, the San Joaquin Valley, or the Missouri Valley, that money is kept at home in our own economy. The cost of the enterprise is paid out to American laborers and American manufacturers who do the work of construction. But when we built a plant of that kind on the Danube, the Rhone, the Elbe, or the Thames, the money is to a large extent lost to the American economy. To send abroad such tremendous amounts of United States money, to export it from our economy, means that it is necessarily lost to us forever.

Mr. WATKINS. Mr. President, will the Senator yield at this point?

Mr. KEM. I yield.

Mr. WATKINS. Is the Senator acquainted with the generalization made by Dr. Nourse, chairman of the Presi-

dent's Council of Economic Advisers, which met at the Pentagon Building last spring, in which he pointed out that the help the United States has given to the Marshall plan countries actually has had the effect of increasing prices in the United States to domestic consumers? He also remarked, as perhaps the Senator recalls, that stabilization had begun to occur in the United States; but when we adopted the Marshall Plan and appropriated the money for it, it was largely spent for commodities in the United States which our own people were seeking to buy, and this competition had a tremendous effect on the prices of goods which were paid by housewives, farmers, and all other American people. Is not that an interference with our economy?

Mr. KEM. Certainly. I thank the Senator for that contribution. To me it certainly sounds like sound economic common sense.

Mr. WATKINS. Let me call attention to the fact that that generalization was made by Dr. Nourse.

I also call attention to the fact that three subcommittees of the Joint Committee on the Economic Report went all over the United States in the year 1947 and made an investigation of the high cost of living and the factors influencing it. All over the country we found a shortage of goods and a lack of the necessary production. Following such a situation, it would be a natural and logical conclusion to have a highly inflationary force brought into play in this country by the spending of so many billions of dollars for goods to be shipped elsewhere. As I understand, my judgment tells me so, and I wonder whether the Senator from Missouri concurs—the entire expenditure made at the request of these foreign nations to help them stand on their feet directly influenced our domestic affairs, and probably even influenced an election in this country.

Mr. KEM. I am sure it already has had a profound effect on our domestic affairs, but I am led to believe that the extent of its effect is not realized.

For instance, I may say to the Senator from Utah that I happen to come from a city which is in the great Wheat Belt of the United States. In the past few years our people have plowed up thousands and thousands of acres of virgin pasture land. On the new land our people raised great crops of wheat, which have been given away, all over the world, with no thought, apparently, or no definite knowledge that land will yield only a certain number of crops of what of that kind, unless the nutriment and fertilizing elements are replaced in the soil. We give these crops away with no thought of the future generations in America or of what will happen to them. I think the effect upon our own economy, of what we are doing, is the difficulty that is least realized, but is the most important.

Mr. JENNER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Missouri yield to the Senator from Indiana?

Mr. KEM. I yield.

Mr. JENNER. I wonder whether the Senator from Missouri is familiar with an article appearing in the Wall Street Journal of today, August 8, by Mr. Ray Cromley. The heading and opening sentence read as follows:

TO THE RESCUE AGAIN—FEDERAL PLANNERS TALK OF GUARANTEEING EUROPE A MARKET FOR EXPORTS—WOULD PROMISE TO SUPPORT PRICES; REQUIRE NATIONS TO DEVALUE CURRENCIES—FOES CHARGE STATE TRADING

(By Ray Cromley)

WASHINGTON.—The administration's global aid experts are now toying with a new idea of aiding Europe by underwriting her basic exports to this country.

That brings me to this question. We have tried Bretton Woods, the World Bank, UNRRA, the British loan, the Marshall plan.

Now we are embarking upon the North Atlantic Pact. Yet from our global give-away boys, down the street, a new plan is coming.

So in considering this amendment, I ask the Senator this question: Assuming that all these things may be fine, assuming that they have worthy objectives, is there not somewhere a limit to what the American people can do toward feeding, arming, financing, caring for, and helping in other ways all the rest of the world? In other words, the Senator's amendment provides only a limitation upon the future activities of nations participating in the Marshall plan, prohibiting them from going on with this socialistic experimentation. Of course they can go ahead with it; but if they do so, the money of the American taxpayers should not be used to help them in that way, and the American people should not have to pay for it.

I ask the Senator from Missouri and all other Members of the Senate, and the people of the United States this simple question: Assuming that all these things are good, fine, and worthy, is not there a limit to what 6 percent of the world's population can do for all the other people of the world, all over the world, all at the same time?

Mr. KEM. I certainly say to the Senator from Indiana that my experience and observation lead me to believe that is necessarily so.

Mr. JENNER. I should like to ask the Senator a further question in regard to the article, in which it is further stated:

The United States experts say this is the main problem: The Marshall plan for European recovery depends for its success not only on United States aid, but on sharp increases in Europe's exports to the world in general and to the United States in particular. Because of customs barriers, high production costs with resulting high prices, and unrealistic planning, Europe's exports have been too low to keep the Marshall plan countries financially solvent. That's where the new plan for guaranteed markets for European exports comes in.

So, in view of all the past aid, the present Marshall plan, and the North Atlantic Pact, if we now embark upon this proposed policy of guaranteeing Europe a market for her exports—and Europe's cry is "dollar shortage," and that means exports into the United States market—

inasmuch as we now have 4,000,000 people unemployed, and have approximately 9,000,000 of our people on part-time work, and in view of the estimate by all economists that we shall have a further increase in unemployment, which some estimate will be as high as 6,000,000 by Christmas of this year, I ask, under this contemplated further program of guaranteeing to Europe markets in the United States, what will happen to the United States market and to American labor? Unless we stop this silly experimentation with socialistic experiments in Europe, will not the result simply be that we shall have socialism fasten itself upon our economy and standard of living in America, with the result that our standard of living will soon be reduced to that of the rest of the world? Is that the Senator's idea?

Mr. KEM. That would seem to me to be so.

Mr. President, one of the most astounding things about the whole situation, to me, is the fact that suggestions such as the one the Senator from Indiana has just made, statements such as those made by the able and distinguished minority leader, the Senator from Nebraska [Mr. WHERRY], and by the distinguished junior Senator from Michigan [Mr. FERGUSON], and by other Senators who have participated in this debate are being allowed to go entirely unchallenged. The ECA bill was reported from the Senate Foreign Relations Committee, as I recall, by unanimous vote. The chairman of that committee, the distinguished Senator from Texas [Mr. CONNALLY] has been quoted recently in the New York Times as being opposed to this amendment because, so he is said to have stated, it would be an unwarranted interference with the affairs of another country, or words to that effect. When this amendment was before the Appropriations Committee, nine members of the committee voted against it, resulting in its defeat by a vote of 9 to 9. Where are the members of the Foreign Relations Committee, where are the members of the Appropriations Committee who voted against the amendment when it was before the committees? Are we not to hear from them? Are they not to give the American people the benefit of their ideas as to why the amendment should not be adopted? Are they going to allow the statements made by the junior Senator from Missouri to go entirely unchallenged? I should like to hear from them. I am here. I have my papers here. If I have said anything that is unsound, if I have announced any principle which is fallacious, let us get the facts, let them be brought out on the floor of the Senate, and let Senators weigh them. Let us allow the American people to understand about them.

Mr. President, I suppose if there is any Englishman who has been extolled on the floor of the Senate more than Mr. Winston Churchill, that individual is not now alive. One reading the debates of this body and the things that have been said about Mr. Churchill from time to time would get the idea that the principles for which Mr. Churchill stands and his ideas and convictions are held in very

high regard. I should like to read from a message sent by Mr. Churchill, published in the London Times under date of July 19, 1949. It is addressed to the Conservative candidate in the by-election at West Leeds, and reads, in part, as follows:

Even Socialist ministers themselves admit that this is "a moment of supreme crisis." Aghast at the results of their own handiwork, they are no longer able to conceal the somber fact that their much-vaunted "planning" has proved a failure. For four feverish years they have stumbled blindly from one crisis into another, and now we have to face the imminent prospects of severe cuts in our imports of vital raw materials and food supplies—or, in plain language, short time in the factories and less to eat.

How has all this come about? They can not blame it on to world conditions, for look at the vast sums they have received from across the Atlantic. The truth is—and it has long been evident—that this Socialist government, like its predecessor of 20 years ago, has been squandering the nation's treasure and living far beyond its means.

Prodigal expenditure by Government departments, costly losses incurred by the nationalized industries, and centralized buying at inflated prices—these things come home to the public in taxation on an intolerable scale and higher prices all round. Bulkier wage packets are of little avail when, as the housewife knows, it takes something like half-a-crown to buy what used to cost a shilling. On the other hand higher costs of production, swollen by exorbitant government demands on industry, are making it increasingly difficult to sell our goods for the dollars we urgently need.

There we have Mr. Churchill's analysis of the situation. The British experiment in socialism is proving a costly failure on all fronts. It is proving a costly failure at home, where, but for the aid they are receiving, as Mr. Churchill says, from across the Atlantic, the people would have to accept the lower standards of living which would necessarily ensue. It is proving a failure abroad, because the British find they are pricing themselves out of the market. Their cost of production is so high under the Socialist regime that they cannot compete with private entrepreneurs in world markets. It has been said, "If that is the case, why have American business men and entrepreneurs any reason to fear that competition?" Why, Mr. President, that is really too plain for argument. As I previously said, their government-socialized industries, through the unique advantages of freedom from taxation, government finance, and monopoly of the home markets, can dump their products abroad whenever they want to do so. We have no control over the prices at which they sell abroad. They may have one price-level at home, and they may have another, and they frequently do have another entirely different price level, abroad. Yet we are taking money from American taxpayers to finance and promote that business structure. We are doing it apparently with little regard either to the cost or to the result.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. KEM. I am glad to yield.

Mr. BUTLER. I am interested in what the Senator has said about the cost of manufacture and the advantage enjoyed in the market which the British firms are supposed to have. The cost of production under the British socialized system of course is perhaps as much or more than ours, but British businessmen do have two advantages which our manufacturers do not have. The first is, the government makes bilateral agreements with other nations, which procedure automatically shuts us out of the market. The second is the advantage they have had in the period during which our relief has been going to their nation, making up the difference between what their government gets from its business and what it costs them to produce.

Mr. KEM. Exactly. I thank the Senator from Nebraska for his very interesting observation. In other words, today, because of the bilateral agreements which are being made abroad and the use to which the American taxpayers' money is being put, the conditions are even worse than I have indicated.

Mr. President, I probably have spoken too long, and I apologize to the Senate for taking so much of its time. I should merely like to say a word in conclusion. As has frequently been said the money of the American taxpayer is being used as a slush fund to promote and finance socialism in England and in certain of the other participating countries.

Mr. JENNER. Mr. President, I notice the Senator is about to conclude. Therefore I do not want to impose on his good nature, but I was going to suggest that I hoped the Senator would conclude soon, because we do not want to debate this subject too long, for the reason that I am sure the Senator is acquainted with the fact that Sir Stafford Cripps and Mr. Bevin are planning a trip to America. All they have received is not enough, and, after all, we must get this matter out of the way so that we can have another crisis and another excuse for more legislation further to ball them out.

Mr. KEM. Mr. President, in that connection, I should like to say that a short time ago the Senator from New Hampshire [Mr. BRIDGES] made a very pertinent answer with reference to the proposed trip, when the matter was under discussion last Friday. He quoted from a press dispatch to the effect that when Sir Stafford Cripps and Mr. Bevin arrive here the conference will be presided over not by the Secretary of the Treasury, who has just returned from abroad after a careful investigation of the financial questions involved, but by the Secretary of State, Mr. Acheson. The question raised by the Senator from New Hampshire was, Why this selection? Why is the Secretary of the Treasury being bypassed, and why is the Secretary of State being substituted? I took occasion to say, Mr. President, that the Secretary of the Treasury is a resident of the State from which I come. He is held in high regard by his friends and neighbors, who would be glad to see him preside at a conference of that kind. He would probably utilize the prerogative of Missourians and ask to be "shown."

Mr. JENNER. Does not the Senator imagine that Mr. Bevin and Sir Stafford Cripps realize that the Secretary of the Treasury should not have much to do with a conference of this kind, because, after all, judging from the way in which the American Government has handled the taxpayers' money, American money is not very important anyway? Does not the Senator imagine that that is the reason?

Mr. KEM. It may be so. It may also be felt that Mr. Acheson speaks the language of Sir Stafford and Mr. Bevin a little more exactly than does Mr. Snyder.

Mr. President, I yield the floor.

Mr. LUCAS. Mr. President, I think all Senators are anxious to finish the ECA bill this afternoon or tonight, and I am certain the distinguished chairman of the Committee on Appropriations desires to have its consideration concluded.

Mr. McKELLAR. That is true; I hope very much we can pass the bill this afternoon.

Mr. LUCAS. If we cannot, we will have to have a night session, and see if we cannot get through with it.

THE AMERICAN WHITE PAPER ON CHINA

Mr. KNOWLAND. Mr. President, I want very briefly to discuss some aspects of the American white paper on China. Before doing so, I should like to ask unanimous consent to have printed at this point in my remarks letters which I addressed, on August 6, to the Secretary of State, Mr. Dean Acheson, and the Secretary of National Defense, Mr. Louis Johnson, suggesting that before final decision is made in the matter of arms implementation General MacArthur be invited home, and that Admiral Badger, who is in charge of our Far Eastern Fleet, both of whom are responsible commanders in the Pacific area, be asked to testify before the combined Committees on Foreign Relations and Armed Services of the Senate. It seems to me, Mr. President, that it is extremely important in discharging the responsibility we owe to the people of the United States that we should have available to us the best-informed persons dealing with this particular subject. Certainly there is no American who is better informed as to the problems in the Pacific, who has seen in recent years the United States forced to retire from the Philippines, from Guam, and even from some of our own Aleutian Islands, and who knows the problems involved in having to fight our way back, than is General Douglas MacArthur.

Admiral Badger has been charged with great responsibilities in China. He has seen our forces withdraw from the Naval establishment at Tsingtao, China. I think both of those men could contribute a great deal to the information of the Senate and of the committees which are directly concerned with the arms implementation bill.

Mr. President, at the hearing this morning I pointed out to the Secretary of State that I fully recognized the desirability in this world, where there are potential aggressors, of having an adequate fire department in case an arsonist should get loose in the world and seek to light a flame which might engulf us

all. I can see America supplying the community of nations with fire extinguishers and sprinkler systems to put out the fire before it could make too much headway, but I pointed out to him that the place at which I very greatly differed from the point of view of the Department of State was that after arranging for the fire department and the necessary protection when the first 4-alarm signal comes in, we apparently are paying no attention to one place in the world where the blaze is burning very brightly at the present time.

So I ask, Mr. President, that the letters mentioned be printed in the RECORD as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 6, 1949.

HON. DEAN ACHESON,

Department of State, Washington, D. C.

DEAR MR. SECRETARY: In view of the fact that our Chiefs of Staff are now visiting the European countries and will obviously not have time to make the same sort of visit to the Far East, I strongly urge that our responsible commanders in the Far East, Gen. Douglas MacArthur and Vice Admiral O. C. Badger, be brought home for the purpose of giving testimony before the combined Foreign Relations and Armed Services Committees on the Far Eastern phases of a problem which is global in character.

As a member of the Armed Services Committee, I urgently request that this be done immediately so that the benefit of their views may be had prior to final action by the combined committees on the bill in question.

Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

AUGUST 6, 1949.

HON. LOUIS JOHNSON,

Secretary of Defense, Washington, D. C.

DEAR MR. SECRETARY: In view of the fact that our Chiefs of Staff are now visiting the European countries and will obviously not have time to make the same sort of visit to the Far East, I strongly urge that our responsible commanders in the Far East, Gen. Douglas MacArthur and Vice Admiral Oscar C. Badger, be brought home for the purpose of giving testimony before the combined Foreign Relations and Armed Services Committees on the Far Eastern phases of a problem which is global in character.

As a member of the Armed Services Committee, I urgently request that this be done immediately so that the benefit of their views may be had prior to final action by the combined committees on the bill in question.

Sincerely yours,

WILLIAM F. KNOWLAND,
United States Senator.

Mr. KEM. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. KEM. I should like to ask the Senator if he believes it is sound policy for us to build a wall of arms and a wall of dollars around communism on the western front and pay no attention to what may be occurring on the eastern front?

Mr. KNOWLAND. I will say to the able Senator from Missouri that I think his question answers itself. Of course, it does not make sense to do any such thing. It is like putting a guard on the front door of a business firm or of a house and leaving the back door wide open.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. KEM. Mr. President, we have certain allies—I think we may call them reputed allies—in our effort to stop communism on the western front. I should like to ask the Senator if he is advised as to what the position of some of those allies may be with reference to curbing communism on the eastern front.

Mr. KNOWLAND. I do not have firsthand information on it. I will say to the Senator from Missouri that I have been greatly disturbed in the past month by indications coming out of Great Britain that consideration was being given by the British Government to the possibility of recognizing the Communist regime in northern China. I cannot document the fact that they are seriously considering this. I certainly hope that the reports to that effect are exaggerated. They so concerned a number of us, however, that several weeks ago we felt it was necessary and desirable to address a letter to the President of the United States in which 21 Senators joined. I will say that it is my judgment that the only reason there were only 21, and not more than double that number, was the fact that the letter was circulated one Friday afternoon, late, and of the 25 Senators whom I approached, 21 signed the letter. In it they indicated that they did not believe this Government should consider the possibility of recognizing any Communist government in China.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. KNOWLAND. I yield.

Mr. KEM. Mr. President, I should like to ask the Senator whether he understands that under the provisions and the working of the Marshall plan we are purchasing the friendship of the participating countries only within a certain sphere of operations, and that they are entirely free to use their influence, their arms, and their money in favor of communism in other parts of the world?

Mr. KNOWLAND. I would say to the Senator that, in the first place, I do not believe we can purchase friendship.

Mr. KEM. Is not that the underlying philosophy of the Marshall plan?

Mr. KNOWLAND. No; I think not. Persons may honestly differ on that score. I have felt that it was in our own national interest, if we could do so, to rehabilitate war-torn Europe so that the people could get back on their feet. I thought that ultimately that policy would fit in with our own national security. Communism thrives on chaos, and if we can prevent chaos, economically and politically, I think we have a better chance of withstanding communism. I do hope, however, that our friends abroad will recognize the fact, as I think some of us in the Senate recognize it, that it is not going to do very much good to save 240,000,000 Europeans from being taken behind the iron curtain, if we sit complacently by while 450,000,000 Chinese are taken behind the iron curtain, because it is the judgment of many of our first-class military leaders and others that if China falls, it will be most difficult, indeed, if not impossible,

to prevent the balance of the Continent of Asia from falling, and it will be most difficult to prevent the adjacent islands from ultimately coming within the Soviet orbit.

If that chain reaction takes place, we may find that over a billion people of Asia will be allied with communism, with both their manpower and their resources. Certainly, from the point of view of the peace of the earth and our own national defense, this would be a disaster of the first magnitude.

Mr. KEM. Mr. President, will the Senator yield for another question?

Mr. KNOWLAND. I yield.

Mr. KEM. I know the Senator has followed the invasion of China by communism with great interest. Has the Senator learned of any statement made by his Britannic Majesty's Government to the effect that they are equally interested in curbing communism on the eastern as well as on the western front?

Mr. KNOWLAND. I know of no such statement. I cannot say that such a statement has not been made, because I am not kept advised of what communications pass between our State Department and the Government of Great Britain.

Mr. KEM. If such a statement has been made, it has not been brought to the attention of the Senator from California?

Mr. KNOWLAND. That is correct.

Mr. KEM. Did the Senator hear that the President of the Philippines was asked yesterday, I think it was, if the Philippine Government was ready and willing to oppose communism in China and the Far East, and that he replied, in substance, that he would have to know what the position of Great Britain was first?

Mr. KNOWLAND. I am not advised of that statement. I would say to the Senator from Missouri—and then I should like to proceed with my remarks, and I shall be glad to answer questions subsequent to concluding—that in the long history of Russia, both under the Czars and under the Communists, Lenin and Stalin, there has been nothing comparable, in my judgment, to what was done by the people of the United States in setting Cuba free as a free and independent nation, or establishing an independent and free government in the Philippines, nor has anything comparable been done by Russia of the Czars, or of Stalin, which is comparable to the action of the British Government in setting up an independent and free India and Pakistan.

It seems to me that we do have a possibility in the far Pacific of pointing out to the people there that here is an opportunity to establish free and independent governments, to maintain democracy, rather than to go after the butterflies of communism, and probably find that the 450,000,000 people of China and the other nations have walked off the cliff. So I think we have much material with which to work, providing we do not take a defeatist attitude in regard to the matter.

Mr. President, with reference to the white paper, it is important that we keep

facts in their proper perspective. The amounts made available to China since 1941 are considerable. As in the case of our other allies, part of these were used in the common effort to win World War II, and part in postwar rehabilitation. In Europe the nations settled down to a troubled peace. In China the people found no peace. Forces of international communism, finding they could not expand the iron curtain in western Europe, Turkey, Greece, or Iran turned their attention to the Far East, where they could gain for their cause great resources and great manpower.

To get some comparisons on percentage of cost paid by the purchaser I wish to present figures from official Government sources which are of interest. I wish to say that as to all the figures I shall use today, I can document them from official figures of the executive branch of the Government of the United States, and shall be glad to do so.

After the war ended there was unconsumed lend-lease supplies of all types in Great Britain amounting to \$5,552,144,850. For these we were paid \$472,000,000, or 8.5 percent of their cost. I wish to reiterate that these were lend-lease supplies which were unconsumed at the time the war ended. They were new materials, they were not used in the common war effort, but were available purely on a postwar basis. For these, as I have said, we were paid 8½ percent of their original cost.

The original cost of our surplus in the United Kingdom amounted to \$498,000,000. For this we were paid \$60,000,000, or 12 percent of the cost.

This was all in addition to the net lend-lease credit we extended during the war. None of the above was needed to win the war, because VJ-day had come and gone when this settlement was made in December of 1945.

In other words, a total of \$6,033,164,850 was transferred to the United Kingdom by this Government for a total price of \$650,000,000, or 10.7 percent of the cost. To enable the British to pay this amount to the United States we extended credit to the British for 50 years at 2 percent, and provided that principal and interest would not start for 6 years, or until 1951. If economic conditions became difficult, principal and interest payments could be suspended, and if once suspended, could not again be added to the total.

Let us not overemphasize our generosity to China.

House Document No. 75, Eighty-first Congress, first session, shows the following lend-lease assistance to our allies, from March 11, 1941, through March 31, 1948:

British Empire.....	\$31,287,000,000
Soviet Union.....	11,057,000,000
France and possessions....	3,270,000,000
China	1,627,000,000

Let us not overemphasize our generosity to China.

According to the publication Foreign Transactions of the United States Government, issued by the United States Department of Commerce, the following nations have received the indicated

grants and credits from July 1, 1945, through March 31, 1949:

The United Kingdom, \$5,667,000,000. France, \$3,032,000,000. Germany, \$2,055,000,000. Italy, \$1,591,000,000. Japan, \$1,359,000,000. The Soviet Union and her satellite nations, \$1,451,000,000. China, \$1,694,000,000.

Again let us not over-emphasize our generosity to China.

I think it is important to keep in mind, Mr. President, that in addition to the amounts, which are indicated for both Germany and Japan, which were enemy countries, as compared with China, which was an ally of ours during the entire period of war—if we add the GARIOA funds, namely, the funds for government and relief of occupied territories, which are in an appropriation which presumably will be acted upon after the Interior Department appropriation bill is out of the way, we find that for Germany we will add \$470,300,000 for relief, and for Japan, \$379,200,000. So that will bring Germany up to \$2,525,300,000 and it will bring Japan up to \$1,738,200,000.

In other words, for two of our World War II enemy countries—and I do not object to this because we had to do it to prevent chaos in those countries—for two of our ex-enemy countries we will have put in a considerably greater amount than we have put into our allied country of China.

Mr. President, I mention this not because I do not recognize the fact that the amount we allowed to China is a great deal of money. But I merely want to get it into its proper perspective. As a matter of fact, if China had been our enemy rather than our friend she would have been much better off even on these figures. Why do I say that? Because had she been our enemy and not our friend we would have been doing in China today what we have been doing in Japan and in Germany. We would have been stabilizing her currency. We would have been giving her a system of law and order. We would have been rehabilitating her industries. We would have been rehabilitating her destroyed communications. We would have been giving her hope for the future as we are doing for the people of Germany and for Japan.

So when I read in the white paper what we have done for China, and see it stated that we should do no more, I think it is time that both the country and the Senate of the United States obtain a proper perspective on just what we have done for China in comparison with what has been done for other sections of the world.

Mr. President, the situation is even more serious than that. If we examine the white paper—and all these figures come from Federal Government sources which cannot be disputed—and if we read the letter which was sent by Gen. T. S. Timberman to the Committee on Foreign Affairs of the House of Representatives on June 21 of this year, just 2 months ago, we find on page 979 of the so-called white paper the following, when he speaks of the \$125,000,000 military aid

to China provided by the Congress in 1948:

All appreciable quantities of surplus items had been disposed of prior to the implementation of the China Aid Act. They had been applied to the foreign military assistance programs, including Greece and Turkey.

Just what does that mean, Mr. President? It simply means that for our aid to Greece and Turkey they dealt with that as surplus property. Therefore there was available for disposal to Greece and Turkey military equipment at approximately 10 cents on the dollar, which, as I understand, is the general average that was paid for a substantial part of it. But when it came to taking care of the needs of China in this \$125,000,000 program provided by the Congress of the United States, this Government said: "No, we have exhausted all our surplus equipment, and therefore, instead of paying 10 cents on the dollar, which is what we are charging to Greece and Turkey for substantially a large portion of their amounts, we say there is none left. Consequently you must do one of two things: You must either pay the cost to us, or you must pay the replacement cost"—which in many cases was from 20 percent to 50 percent or more greater. So they were not only charging the Chinese during this same period of time the full amount, but in many cases at a cost considerably higher than the Government paid for the equipment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I should like to complete my statement, and then I shall be glad to answer questions.

Further on in the same letter General Timberman says:

A small quantity at surplus prices, considerably more at 1945-procurement-cost prices, but the majority at either replacement-cost prices or at the price actually charged by the majority at either replacement-cost prices or at the price actually charged by the manufacturer, where the supplies were procured expressly for the Chinese.

I think this is important to keep in mind.

I think this is important to keep in mind. But it becomes more significant, Mr. President, when, at the combined meeting of the Foreign Relations Committee and the Committee on Armed Services today in answer to an inquiry from, I believe, the Senator from Georgia [Mr. RUSSELL], the Secretary of State said that of the amount of military implementation aid which we were to provide, approximately \$450,000,000 of it would come out of surplus.

Mr. President, the War Department less than 2 months ago said that there was no surplus. Certainly if we are to deal with facts and figures, we should not have trick bookkeeping in matters of that kind. If there was surplus, then I say the Chinese should have received it on the same basis as Greece and Turkey. If there was no surplus, as General Timberman indicated, then I wonder how it is that within 2 months of that period of time we can now say that we will have some \$450,000,000 worth of surplus for the military implementation phases of this program.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. In just a moment. I am not objecting to the arms program. I think that some arms program may be needed. But speaking on my own individual responsibility, as one member of that combined committee and as one Member of the Senate of the United States, I think the committee and the Senate are entitled to be dealt with frankly. We are entitled to know what this is going to cost. We are entitled to know whether this \$450,000,000 which they now say may be made available as surplus, overnight could be increased to \$900,000,000, or one and a half billion dollars, or \$3,000,000,000. We are not being dealt with frankly as the situation stands today. I want to say in fairness to the departments that the committees have asked for specific information, and I believe we will get this specific information. But it is this type of double bookkeeping which I do not think gives the Congress of the United States the information to which they are rightfully entitled.

I now yield to the Senator from Utah.

Mr. WATKINS. Mr. President, is the Senator acquainted with the fact that in the hearings before the Foreign Relations Committee on the North Atlantic Pact it was explained by the Secretary of Defense and by General Bradley that the amount of money which had been mentioned, some \$1,130,000,000, for the arms program, was money to put surplus equipment in the United States in condition, and for the cost of shipping that same equipment to Europe; that that was only for the cost of doing those two things I have mentioned; and that the amount of money was only from 10 to 15 percent of the value of the surplus, of the extra equipment we had on hand which we intended to ship over to our European allies.

Mr. KNOWLAND. I am not a member of the Committee on Foreign Relations, which heard testimony on the North Atlantic Pact. However, my understanding is not quite the same as that of the Senator from Utah. I understand that a portion of this amount in the arms implementation bill will be set aside for reconditioning, packing, and shipping surplus equipment, for which, presumably, no charge will be made, or a very nominal charge will be made. However, the balance will be for procuring items which are not in surplus, or which cannot with safety be taken out of the war reserve. But in order to give a true picture of what is involved the sum total which is mentioned in the bill must be increased by the sum of \$450,000,000, which presumably is now to be taken out of war reserves declared surplus and made available in addition to the other sums mentioned, minus the amount for shipping and reconditioning.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. The matter to which I called attention arose some time before the arms implementation bill came before the Congress. As I understand the present situation, we have a revised pro-

gram, as compared with what was presented at that time. Can the Senator give us information as to whether or not the \$900,000,000 which will go to the Atlantic Pact countries includes the value of the equipment and the armament which we will send over, or is it merely the cost of shipping and putting it in shape to ship?

Mr. KNOWLAND. I think undoubtedly a major part of that will be used for actually purchasing equipment, which we must replace in our war reserves, or for putting in commercial orders to make equipment available for the countries which have need of it. I think the \$450,000,000 which presumably will be declared surplus will be substantially over and above the amount mentioned in the bill.

Mr. WATKINS. What price or value has been set on that equipment?

Mr. KNOWLAND. Substantially, the equipment will be given without cost, but there will be an average cost of about 15 percent for reconditioning and packing.

Mr. WATKINS. What is the \$450,000,000 for? Is that the value of the equipment we are going to ship?

Mr. KNOWLAND. That is the cost price.

Mr. WATKINS. The cost price to us?

Mr. KNOWLAND. The cost price to us. I must say in fairness that some of that equipment may not be worth the cost price. It may have become obsolescent. There may be other equipment which is newer, which will be available to us. So that does not necessarily mean that we would either buy that particular equipment today at that price, or that it would be worth its cost. On the other hand, there may be other types of equipment which, at today's prices, would cost a great deal more than such equipment cost us at the time we bought it.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LODGE. In connection with the question raised by the Senator from Utah, I think both the Senator from Utah and the Senator from California are to be congratulated for bringing up this subject, because it seems to me to show the impossibility of placing a dollar value on a piece of surplus military equipment. I do not think we can measure surplus equipment in dollars, no matter how hard we try. Take an obsolete piece of equipment in an arsenal in the interior of the United States. It could only be of use conceivably in case of a ground invasion of this country, which happily is an unlikely event. If that piece of equipment is placed in western Europe under the arms program, it will be manned and effective. To that extent it will take the heat off our own manpower. Looking at it from that standpoint, it would be worth while to pay something to have the equipment used. If we try to state what the cost will be to this Government if it buys such equipment 4 years from now, we get a figure which is totally undependable. We would not buy it today. The figure at which we might sell it today would be totally unreliable. We could not sell it to anyone. The people who want it

have no dollars. It seems to me that we should identify the equipment by categories—machine guns, tanks, and so forth—and not try to control it in terms of dollars, or allow our thinking about it to proceed in terms of dollars, because it is not something that we can measure in dollars and cents.

In think the Senator from California should be commended for showing up the confusion which has arisen because of the \$450,000,000 used in this case, when another figure was used in another case. Actually there is no dollars-and-cents value which can be safely used.

Mr. KNOWLAND. Mr. President, the Senator from Massachusetts has made a valuable contribution. I am in full accord with a great deal of what he has said. However, I think that does not follow for all types of equipment. At the outbreak of World War II we were using machine guns which we had left over from our World War I supplies. I have no doubt that a Garand rifle in good condition, which we may have in our war reserves, and which may be declared surplus, is just as valuable as a new rifle which might be manufactured under contract. So we cannot apply the same rule of thumb to all surplus equipment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. Is it not also true that we are not going to send all of this material from surplus, but a great deal of it from reserves? It will be the same kind of equipment which we would need to equip our own armies.

Mr. KNOWLAND. I do not know whether the Senator was present at the beginning of my remarks, but as I pointed out, that is precisely the situation which has happened. At the time the Chinese were trying to fill their requirements with \$125,000,000 of military aid, we told them, "There are no more surpluses. Anything you get comes out of our hide, our war reserve. We are willing to let you have it to that extent, but you must do one of two things. You must either replace it at the cost to us, or, if it is something with respect to which costs have gone up, you must replace it at the replacement value." In some cases that was 50 percent greater. So we had told them that there were no surpluses. As a matter of fact, there are no surpluses today, except insofar as the National Defense Establishment—the Army, the Navy, and the Air Force—may declare certain of their equipment surplus. They might have done that anyway, had there been no European arms implementation bill. I do not know; but the facts will speak for themselves when the committee gets the facts. On the other hand, the services may be declaring these things surplus because they want to help out in what many of us feel is a very worthy program. But I think we are entitled to all the facts. I should like to know, for example, precisely whether the equipment which we sent to Greece and Turkey is the same type of equipment which we have been buying since that time. In other words,

was that war surplus, or did it come out of reserves which we may later have to replace through appropriation bills?

I should like to know specifically—it may be information which we cannot discuss in public—whether the \$450,000,000 worth of surplus which is about to be declared out of war reserves is actually surplus which we would have no occasion to use, or whether in the next appropriation bill the Army, the Navy, or the Air Force is going to be back asking us for appropriations to replace it.

I think those are facts; and facts will speak for themselves. I am not satisfied, based upon the information which has been presented to the committee up to this moment, that the committee has the facts to which it is entitled, and which I believe we must insist upon having prior to action on the bill.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. Does the Senator understand that what we are going to send to the European countries under the North Atlantic Pact, and to Greece and Turkey, is obsolete equipment?

Mr. KNOWLAND. I do not believe it is obsolete equipment. I should say that it is quite possible that some of the material which is being sent or is proposed to send is not material which we would buy today, because improvements are constantly being made. But I have no doubt that if we were involved in war tomorrow we would make use of a great deal of the material which is being called surplus until we could replace it with more modern equipment.

Mr. WATKINS. As a matter of fact, if we were to be involved in war tomorrow, we would be required to replace a great deal of that material. Probably some of it is the same kind we are sending overseas.

Mr. KNOWLAND. I have no doubt that that is substantially correct.

Mr. WATKINS. Is there anything to prevent the armed forces of the United States, through the proper agency, from declaring surplus anything they want to declare surplus, to take care of the situation overseas?

Mr. KNOWLAND. In my judgment, and speaking solely for myself, after reading the bill presently before us—that is, the new bill—I believe that if the Defense Establishment wanted to declare surplus one and one-half billion, three billion, or four billion dollars worth of equipment, instead of declaring \$450,000,000 worth of reserves surplus, they could do so under the terms of the legislation as now written.

Mr. WATKINS. Does the Senator from California know the value of the equipment we sent to Greece and Turkey under the Greek-Turkish loan?

Mr. KNOWLAND. That is the reason for my inquiry of this morning of the Secretary and the inquiry I have made of Secretary Johnson. When we get the Greek-Turkish aid report, it does not give all the figures we need, because it indicates, for example, as I read it, that to Greece we have supplied approximately, according to this report, up to

March 31, 1949, \$318,057,000. That is broken down into different categories. From the total, I cannot tell whether that means \$318,000,000 was made available to them, and they purchased with it equipment at a cost value to us of \$318,000,000, or whether all that amount or a considerable part of it or only a minor fraction of it was used to purchase the types of equipment indicated at 10 cents on the dollar. I do not believe they purchased all of it at 10 cents on the dollar. But just as a theoretical case—and let it be understood that I am not charging that this was done or that it would be wrong to do it—if Greece had been permitted to use the entire amount for the purchase of United States equipment at 10 cents on the dollar, then instead of our giving American aid in the amount of \$318,000,000, it would have been American aid to the extent of \$3,180,000,000, or ten times as much.

So in order to appreciate the picture, I think we have to know, and have some limitations upon, the amount of equipment which they have authority to declare surplus and sell at bargain-counter rates.

Mr. WATKINS. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from California yield to the Senator from Utah?

Mr. KNOWLAND. I yield.

Mr. WATKINS. When we had the testimony before the Foreign Relations Committee, the charge was made that the amount which would be requested for the armament program and to implement the pact was only the amount required for shipping the equipment overseas, and that the actual cost or value to be placed on the equipment sent overseas was an entirely different matter, but that the cost of shipping it would probably be 10 percent or 15 percent of the replacement cost or the cost of manufacturing the materials in the first place.

Mr. KNOWLAND. I was not there, so I cannot testify regarding that situation. But I would rather doubt that, because if they were going to use the entire \$1,400,000,000 involved in the arms-implementation program on that basis, it would mean that actually we were supplying \$14,000,000,000 worth of equipment. I do not think that is the intention.

Mr. WATKINS. It was actually charged in one of the national magazines that the value was actually six or seven times the amount allowed in this program in terms of actual dollars and cents, because of the situation to which I have just referred. I have never heard that denied by anyone.

Mr. KNOWLAND. The Senator from Utah may rest assured that so far as the junior Senator from California is concerned—and I am sure I am speaking for many Senators on both committees, Senators on both sides of the aisle—these matters will be thoroughly gone into. The committee will not be given the brush-off on the matter. I do not think the departments have any intention of doing so. But I can assure the Senator

from Utah that so far as I am concerned, we are going to get the full facts before at least I am willing to vote for this proposed legislation.

Mr. WATKINS. Mr. President, will the Senator yield for a final observation?

Mr. KNOWLAND. I yield.

Mr. WATKINS. I think the Senator from California should receive the compliments of the entire Senate for the activity he has begun here, and for the inquiries he has made; and I hope he will continue with them, and will obtain that information.

At this time I desire to be associated with him in his efforts with respect to China and the aid we should give. I did not join with the group of 21 Senators to whom reference has been made; but certainly I am in sympathy with what the Senator from California is trying to accomplish. Certainly our conduct with China cannot be held up to the rest of the world as the proper conduct of a nation standing by her ally. I think our conduct with China has been atrocious; and all the white papers in the world cannot wipe out our guilt in that respect.

Mr. KEM. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. KEM. Should not we also consider the value of this equipment to the enemy, in case it falls into enemy hands?

Mr. KNOWLAND. Of course, that is a calculated risk that always is taken. Of course, we ourselves at Corregidor and Guam lost considerable equipment. That may happen in any military operation, just as in the case of China there is no doubt that considerable of the arms sent there were lost to the opposing forces.

But I think we cannot stop giving aid on that account. The British lost practically all their continental equipment at Dunkirk. As Senators will recall, the United States Government sent to Britain a number of old Enfield and Springfield rifles which we had from our World War I reserves, so that the British troops could have weapons in their hands. After Dunkirk, we sent to Britain a lot of old French '75's and other equipment more or less obsolescent, so that the British would have something with which to arm themselves on the beaches of Britain. That was not the most modern equipment we had, but it certainly performed a useful service and greatly aided British morale after the dark days they had had.

Mr. KEM. Would the Senator from California agree that we also sent to Russia considerable equipment when she was our ally, and that that equipment is still in Russian hands?

Mr. KNOWLAND. I mentioned that earlier in my statement, when I said that we sent to Russia, as an ally, over \$11,000,000,000 worth of equipment, as compared with \$31,200,000,000 worth sent to the British Empire and \$3,270,000,000 worth to France and her possessions, and \$1,627,000,000 worth to China. So we sent to our ally, China, \$1,600,000,000 worth of equipment, as compared to \$11,000,000,000 worth which we sent to our then ally, Soviet Russia.

Mr. President, knowing that the ECA bill is the pending business, I wished to

speak today only briefly. I would not have taken this much of the time of the Senate except for the questions which have been asked. But I expect, from time to time, in respect to various phases of the white paper, to bring other information to the attention of the Senate.

Mr. McCLELLAN. Mr. President, I have no desire to speak at length. I know the Senate is very anxious to reach a vote on this measure. Having undertaken, since this bill has been the order of business, to persuade the Senate to make some changes in it and to have the Senate adopt some amendments which I think are in the interest of our Government and our own people I want to take this occasion, before the final vote is taken, to associate myself with the junior Senator from Missouri [Mr. KEM], who is the author of the pending amendment, of which I am cosponsor. I am not overly enthusiastic in my expectations that the amendment will be adopted, in view of what has transpired heretofore. Nevertheless, Mr. President, we are making a record as we go along; we are letting the American people know that some of us are concerned about this program, how it is being administered, how it is operating, and the results or lack of results that are accruing as these huge sums of money are being expended.

I have no desire, and I shall not knowingly, now or hereafter, vote to make any contribution from the Federal Treasury to any country, to be used for the purpose of destroying what I believe to be free government and the freedom individuals, by establishing, promoting, and consummating programs of socialism and communism. I do not want my vote to be associated with such endeavors and such achievements here or elsewhere in the world. For that reason I shall support the Kem amendment. I think the provision would have been more timely had it been incorporated in the basic law, the original Authorization Act. That was the time, before we spent a nickel of this money, to start prescribing conditions which, if the obligation were kept, would give hope and promise of redeeming these countries, of restoring their economies and of placing them back on a plane of endeavor whereby through their own initiative they might not only survive but make progress again in the commercial and economic life of the world.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. McCLELLAN. I am very glad to yield.

Mr. KEM. I should like to ask the distinguished Senator from Arkansas whether, at the time the ECA bill was originally before this body, we were not told by its proponents that Marshall plan aid would make the people of the participating countries so happy and contented that they would lose interest in schemes of socialization and turn back from that temptation.

Mr. McCLELLAN. I do not remember the exact words, but that is the substance of many arguments which were heard at that time in support of it. As I said on this floor last Friday afternoon, speaking

to an amendment in which I was interested at the time, an amendment which I had offered, notwithstanding all the aid we have given, Great Britain's economic condition has grown steadily worse. I do not believe it has grown worse because we have not given enough aid. Probably we could have given more, but it is not because we have failed; in other words it is not because we have been so short in our assistance that she could not possibly have improved her condition. But, notwithstanding the fact that we have given Great Britain in excess of \$6,000,000,000, her condition today is worse, and I charge that the reason for it is the kind of government she has and the policies she is pursuing. I do not believe it is possible for America, with the kind of government Great Britain has today, and with the program she has, to give sufficient money for her ever to recover. So I think we are simply spending money that we will never get back, neither in repayment of the loans we have made nor in results obtained from the grants and assistance we have given them, which will never come back into our Treasury.

Yes, Mr. President, I made the statement that Britain's economic condition is growing worse. I have not heard anyone deny it. At noon today, as I started to leave my office to come to the Senate Chamber, I received a long-distance telephone call from someone I did not know, who said his name was Alfred H. Benjamin, president of the Anglo-American Trading Corp. of New York City. The telegram was not addressed to me, but he advised me then he was sending the telegram to the Senator from Tennessee [Mr. McKellar], chairman of the Appropriations Committee of the Senate. He asked me to have my secretary take it down as he dictated it. That was done. Just now, since I have taken the floor of the Senate, I have been handed the original telegram which the Senator from Tennessee [Mr. McKellar] has received. I want to read it into the Record. It is some evidence, some corroboration of the statement I have made that what we are doing is not actually helping Britain, by reason of the way it is being administered and by reason of the kind of program Great Britain is carrying out. The telegram, which is from New York, is dated August 8, 1949, and reads as follows:

NEW YORK, N. Y., August 8, 1949.
Senator KENNETH MCKELLAR,
Chairman, Senate Aid Appropriation
Committee,
United States Senate,
Washington, D. C.:

Regarding the amendment by the Honorable Senator JOHN L. McCLELLAN which provided for an allocation for use of ECA funds for surplus crops I have conferred with several New York meat distributors and they contend as I do that such an appropriation is desirable. I have just returned from a visit to England by air. I have explored the food situation very carefully with another representative who is now on the scene in Europe studying the situation in England. Summing it up correctly is that 75 percent of the people are starving and undernourished. They haven't seen pork in 2 years, and ECA funds are being used for no other purpose than to destroy the value of the American farm products. I am willing

to fortify that statement and have it further substantiated by an independent representative at a later date who is now surveying the situation in Europe. I have by telephone informed Mr. T. Beale, of the State Department, of these facts. England at present is meatless, butterless, eggless, and I could enumerate a few more other products they are sadly in need of. Why should we tax the American people doubly? Furthermore, the true situation has not been made known to the American people. The English people have a 60-percent purchase tax which is socialistic. Under rigid control the food and clothing products are two of the sore spots of England. When people are underfed and undernourished it breeds almost anything, communism in its worst form, even greater than that of the Soviets or Hitler's regime. I consider this situation so deplorable that I am compelled under very great restraint to present the real situation to the people of the United States through you.

ALFRED H. BENJAMIN,

President, Anglo-American Trading Corp.

I am not familiar with the Anglo-American Trading Corp., or with the extent of its activities. But, after 5 minutes telephone conversation with this gentleman, it occurred to me that he had a pretty good idea of what he was talking about. If those are the conditions in England, her austerity has not lessened any since the program began, and of necessity it is becoming worse.

What did I try to accomplish with the amendment I offered recently? We have surplus food in this country, for which the people of Great Britain are hungering. We can supply it without double taxation. We have already taxed our people to get the money, once; we have bought food (agricultural commodities) and we have it on hand. That is evidently the reference in the telegram. The people of Great Britain have said they need it. But this is what will happen, and this is my reason for wanting to see some of the restrictive provisions incorporated in the bill to require them to take food which the people distressingly need. Instead this proposes to give them dollars, and they will manipulate them in order further to socialize their industry, while their people remain hungry and while our surplus foods spoil. The more they socialize their government the greater becomes their distress. All they have today is more austerity. They do not have more production; they do not have more food; they do not have more exports; they do not have more dollars. All those things are becoming less and less.

Mr. President, what shall we have profited, when we have carried on, all the way through, on the ECA program? What if they then have no economic recovery? As this gentleman points out in the telegram, what will be the result? Communism? Anarchy? Certainly not prosperity; certainly not freedom.

Mr. President, I have here today's Washington Daily News. On the editorial page written by Earl Richert. I want to read some excerpts from it. In England the people are meatless, butterless, eggless. Seventy-five percent of them do not have that kind of food.

I read from this article:

"So far this year, the Agriculture Department has clunked down an average of a

half dollar apiece for you and every member of your family to hold up the price of eggs—\$72,000,000 in all.

That's nearly twice as much as the Department spent all last year to take eggs off the market to hold up prices received by farmers.

And the Department still has \$20,000,000 worth of last year's dried eggs on hand which it is now trying to get rid of by offering at 50 percent of cost for foreign export.

I do not know just how long those dried eggs will keep, but we have a surplus of them. We have already taxed our people, have bought them, and they are here. England's people are under an austerity program, eggless, meatless, and yet we would not impose a condition on this money to require them to accept, when they said they needed it and wanted it, the surplus which we have bought and for which we have already paid. I told the Senate last Friday that my position was not very popular in some quarters at this time. A year from now it will be popular. That is why I am speaking about this amendment. This should have been done in the beginning.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCLELLAN. I shall yield in just a moment.

We have heard the very able junior Senator from California speak about the Chinese situation. What was wrong in China? Just the same thing that is wrong in England, in my opinion. We give them the money, but we do not place conditions upon it or supervision over it which common wisdom and good sense dictate to be necessary to make the program effective and to insure desired results.

I shall be very happy to yield to the able Senator from Tennessee.

Mr. McKELLAR. In addition to what the Senator has said, the truth is that the present Government in England received the goods and sold them, not to those who are in need. The persons who need the food and who are in actual want do not get it. They have to pay for it, and they pay the Government. It is true they pay in English pounds and shillings. But those persons who actually need meat do not get it from what is bought for them by the British Government. The Government is undertaking to sustain itself by selling our goods and the goods it buys from other countries.

Mr. McCLELLAN. Then they put their funds into the socialization program.

Mr. McKELLAR. They have put their funds into the socialization program, which is a little milder form of communism. That is all it is. It is developing very rapidly and communism will soon be there. The Senator is entirely correct.

Mr. McCLELLAN. Mr. President, I read further from this article with reference to eggs:

But the egg surplus is here now, and the Department officials don't know what to do about it.

The eggs are purchased in dried form, can't be sold here, and foreign countries don't seem to want them—even at 50 percent of cost. Tests have shown they will keep at least from 18 to 24 months, but they don't get better with age.

To date this year the Department has bought almost 56,000,000 pounds of dried eggs (3 dozen shell eggs make a pound of dried eggs). Total purchases last year were 29,000,000 pounds.

We have the surplus food over here, and the English people, on an austerity program, trying to build up their economy and increase production, need this food. They need it just as badly as the British Government needs dollars. Therefore we should be supplying them these surpluses which we can so well produce over here and which they so badly need over there, rather than borrowing dollars and giving them to England to further socialize the industries of that country.

Mr. President, I desire to place some figures in the RECORD further to emphasize what I am trying to clarify as to my position and why I do not feel that we should appropriate billions of dollars without proper restrictions on them and without proper controls and proper supervision as to their expenditure. I think the able Senator from California [Mr. KNOWLAND], speaking a few moments ago, placed some of the figures in the RECORD, but probably not exactly with the same break-down.

Between July 1, 1945, and March 1, 1949, in grants and loans, and in property gifts, in lend-lease, we have given away to foreign countries \$24,651,000,000. In that sum there is included \$3,000,000,000 worth of property. Just what that property is I do not know. I do not have a break-down of it, but it was property which we gave instead of dollars.

So, Mr. President, taking into account the amount of funds we are appropriating in this bill, in addition to what we are going to be asked to appropriate and spend during the next fiscal year to implement the North Atlantic Pact and to furnish arms to those countries over there, by the end of the next fiscal year we shall have spent \$30,000,000,000 for assistance to those nations.

Mr. President, I do not believe there will be \$30,000,000,000 worth of results. There is no evidence of it now. This \$30,000,000,000 is or will be in our national debt. If we continue this program as it has been administered in the past, being afraid that we will interfere with some government if we try to counsel it regarding how to spend it so as to make certain that it is expended in a manner which has the approbation of ordinary, common wisdom—unless we do that, unless we change our policy with reference to appropriating and spending these billions of dollars, we are not going to get results. The primary responsibility is upon this Congress. If we are going to spend billions of dollars of American hard-earned tax dollars, Mr. President, the primary responsibility is upon us to fix a policy under which the money shall be spent, so that we can expect proper results to be obtained. Since we are not going to pursue that policy, I cannot go along just blindly supporting these programs every time there is a demand for money. I am going to weigh them in the balances, and when found wanting, vote against them.

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield to the Senator from South Dakota.

Mr. MUNDT. I wonder if the distinguished Senator from Arkansas would agree with me that the time is not only coming when Congress should consider exercising its own judgment in connection with the ECA appropriations bills, but that we should also insist that the State Department redefine and redetermine what it has in mind in the whole Marshall-plan coverage.

Mr. McCLELLAN. I think so. I think there has been a great lack of that mutual confidence and exchange of information between the Congress and the executive branch of the Government, particularly the State Department, as to just what we are undertaking to do, why it is necessary to do it, and the best way to get it done.

We started off in this program, as I said last Friday, with the Bretton Woods agreement, and created the World Bank and the International Stabilization Fund. We enlarged the Export-Import Bank capitalization, I believe. That was the way we wanted to handle the matter. The ink had not really dried on the law when Britain came back asking for four or five billion dollars, and we handed it to them without any strings attached, and it is gone.

I am pointing out that by this sort of a policy we are pursuing, we are simply dissipating the economic strength of America, and thus we are weakening our own economy, and not helping others. So I do not see that we are making the world better, nor are we improving our own power of self-defense and security, which we will need in the event there may be another world conflict.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. MUNDT. Not only has there been that unfortunate lack of confidence and mutual exchange of ideas between the State Department and the Congress, but, in my opinion, there has been a clear-cut departure on the part of the State Department from the original purposes of the Marshall plan. It was clearly brought out in the debate before the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate, it was brought out in the debates on the floors of both Houses, it was specified in various statements made by State Department representatives, that the original Marshall plan was conceived for the purpose of making available to other countries, anywhere in the world, so far as we were able, assistance from this country to help control and curtail communism, provided they would cooperate with us in the program.

We now face a situation when three huge torpedo holes have been shot into the program. The Senator from California discussed that. We have not included Asia in the Marshall plan, we have kept China out, so that no longer is there an attempt under that plan to stop communism anywhere in the world, but only on the western fringe of Europe.

We have found another torpedo hole illustrated by what the Senator is dis-

cussing, in that we are now subsidizing nationalization in England, and nationalizing industry is not an attempt to curtail communism. It is moving in the direction of communism.

In the third case, we find the unhappy situation where it is increasingly apparent that the Marshall-plan countries are making trade agreements with countries behind the iron curtain. So we find ourselves in the position of furnishing financial assistance which makes it possible for countries in western Europe to ship goods in return for supplies from countries behind the iron curtain.

I think this body has the right to know what the State Department is now trying to do with our business abroad.

Mr. McCLELLAN. I thank the Senator. I say to him that those who disagree with us at this hour have the majority, and they are going to have their way about matters. They have had their way in the past. They had their way about the Bretton Woods agreement, the World Bank, the International Stabilization Fund. They had their way about the British loan. Yes; they have had their way about the Chinese policy. They have had the power, and they have it now. They may use it to force the spending of three billions but, in my judgment, they are not serving the best interests of America until they revise these policies, until they are willing to do what is proposed in the old American way, seeing to it that we give help to those who are willing to help themselves.

I do not believe we are building character. I do not believe we are building the fortitude of these people. When the program ends it, it is continuously pursued as it is being now, whenever the day comes, and it will come, that we have to stop spending the money, I do not know that we will have built up the character of the people of the foreign countries to the point where they will have the fortitude to resist communism. Who can give us such assurances? Certainly we will not unless we have built up their economy, unless they have an appreciation of what we are doing and gratitude for the fact that the very source from which they have drawn their strength is the country which has preserved the free-enterprise system, and remained strong, when all other countries, with their other ideologies, have failed.

Mr. President, that is what we ought to be trying to impress on them, and not be so timid and ashamed and insist that we do not want to interfere with their sovereignty. Of course, we do not want to interfere with their sovereignty. They are free to do as they please, and they are doing as they please, but they are not doing themselves any good, and we are not doing ourselves any good by going along with them and letting them do as they please while we furnish the money and pay for their folly.

Mr. President, that is the way I feel about this matter. I say these things because I know we make a record here in the Senate, those of us who have this responsibility make a record, and in the light of my intelligence, and my observations, and the information I can get, I want to make a record which I think and

honestly believe is in the best interest of my country and my people, a record with which I can live, not only today, but in the future.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MUNDT. Under the happy phraseology of the State Department, I should like to refer to what is proposed as a peacetime lend-lease program. Does the Senator recall that during the wartime lend-lease program supplies and matériel made available by this country went abroad under the joint command of the Allied Chiefs of Staff, so that we had something to say about how the matériel was used? That worked, and possibly the reason why the present program is not succeeding as well as the other one did is because we are failing to follow the pattern we followed in the time of the wartime lend-lease.

Mr. McCLELLAN. We made very lenient conditions in the very beginning of this movement. We did not then meet our full responsibility in making the conditions so as to insure the success of the program, and we are not requiring observance of the conditions we did fix. In fact, we are relaxing them more and more all the time, and therefore we are getting less and less results for the dollars we are spending. I choose to withhold further appropriations for this program until we have established policies and require them to pursue policies that give some hope the program will be successful.

Mr. BUTLER. Mr. President, I shall take only a very few minutes to put myself on record in support of the amendment referred to as the Kem amendment.

In my judgment, the American people must decide soon how much longer they are going to finance socialism in England and France or elsewhere. To date, the principal use of our foreign-aid appropriations has been to support the policies of leftist governments in Europe and to advance the cause of socialism there.

The United States Treasury has poured more than \$25,000,000,000 into Europe since the end of the war, and much of this money has been used by the socialistic governments of England and France to nationalize industry after industry. The American people never gave the present administration any authority to socialize western Europe at the expense of the American taxpayer. Every American would properly resent any such action from any foreign country—should Russia, for example, offer this administration financial aid to nationalize our own great industries.

England already has socialized eight or nine of her most important industries. These include coal mines, railroads, the Bank of England, motor transport, civil aviation, cables, radio, and medical and dental care. Just recently the House of Commons voted to nationalize the British steel industry, effective in 1950.

France has socialized more than 20 industries, including coal mines, railroads, the Bank of France, motion pictures, insurance, aircraft production, and telephone and telegraph.

This is how the process works in Britain, as it was just explained a few moments ago by the distinguished Senator from Tennessee. Marshall plan food is given to the British Government free of charge—not to the hungry. The Government sells this food to the British people for British currency. The cash received is then used to retire the Government bonds given the former owners of the socialized industry. By this device, the American taxpayer is paying directly for the socialization of England.

I can think of no more pointed summary of this whole process than that made by the greatest Englishman of this generation, Winston Churchill. On one occasion, Mr. Churchill said: "What would happen to the British Socialist Government if the American subsidy did not arrive punctually?" On another occasion, Mr. Churchill expressed the whole situation still more bluntly when he said: "The Socialist Government and Socialist policy are living on the United States from month to month and from head to mouth." Englishmen of vision and foresight realize perfectly well what is being done to their country by their Government is with American funds, and they are no more in favor of it than is the American taxpayer. If we are to continue to send vast sums to Europe, that money should certainly be used for reconstruction and not for socialization.

Mr. President, it is the purpose of the amendment which has been under discussion now for some time, the amendment proposed by the Senator from Missouri, that our money shall not be used for socialization. For that reason I shall support the amendment.

The VICE PRESIDENT. Lest the Senate lose track of what is before it, the Chair will state the question: Shall the decision of the Chair holding that the amendment of the Senator from Missouri [Mr. KEM] was not in order stand as the judgment of the Senate?

Mr. LANGER. Mr. President, I am going to vote against the so-called Kem amendment, and I desire to go on record so the entire world may know why I shall vote against it. It seems very strange to me, Mr. President, that during the 9 years I have been a member of the Senate all I have seen is protection of real big business—protection for the real big fellow and letting the little fellow go. Let me read the amendment:

SEC. 202. No part of the appropriations contained in this act shall be furnished to any participating country, the government or any agency thereof, which shall, after the date of enactment of this act, acquire or operate, in whole or in part any basic industry thereof, other than industries the acquisition of which has been completed prior to the date of enactment of this act.

About 2 years ago, Mr. President, I read a speech delivered by the distinguished Senator from Wyoming [Mr. O'MAHONEY]. He was speaking face to face with a group of real big businessmen right in the heart of Wall Street. He said, "If communism comes to the United States you men are to blame for it." We do not hear anything in the Senate about curbing real big business. Not until Tom Clark became Attorney General had an

attempt been made to jail the presidents or other officers of big trusts for raising the price of milk or the price of bread or anything else the people buy. Oh, if a veteran steals something to support his family he will be arrested. But when the big corporations get together and raise prices they were not criminally prosecuted, and if they were brought into court in a civil suit for stealing millions they are fined the insignificant sum of \$5,000. I challenge any Senator upon the Senate floor to name one single person who was ever arrested and convicted under the Sherman Antitrust Act, whether it was under a Democratic President or a Republican President—except Eugene Debs.

By reason of the inefficiency of our Federal Government, whether it be under a Republican administration or a Democratic administration, the people of at least one State, North Dakota, have taken steps to protect themselves, and they have done such a good job that when John Gunther wrote the book, *Inside the U. S. A.*, 2 years ago he said that by far the best laws for the common people had been adopted by the State of North Dakota. The people of North Dakota got together because they had to protect themselves. I want to say to my distinguished friend, the Senator from Tennessee, that in 1915, if a farmer in North Dakota wanted to borrow money to place a first mortgage on his farm he had to pay 10 percent interest. I can show the distinguished Senator abstracts which I have examined which show that farmers were charged 12 percent interest.

In order to protect ourselves we finally decided to amend our State constitution. When I was in college in New York City what did I find? If a law similar to the pending amendment had been in effect in New York it could not own the elevators in Buffalo. If such a law had not been in effect Seattle could not have a fish market. In Portland, Maine, the city could not own a lumber yard. When the common people of my State became tired of taking money which was sent to North Dakota from the East, and paying eastern men in Wall Street 5 or 6 percent, while they paid 5 or 6 percent in addition to the broker, making the total 10 or 12 percent on farm mortgages, what did they do? When they got tired of the large Grain Trust robbing a farmer every time he hauled his grain to the elevator and when the people became tired of paying excessive insurance rates, the common people of North Dakota did a very simple thing. They got together and said, "The common people are going to meet on Lincoln's Birthday in every single voting district of North Dakota." And they did so. Red, white, black; rich and poor, regardless of nationality, race, or color, those people met in over 2,000 precincts, and there they elected delegates by secret vote. They met on Washington's Birthday in every county seat. There they elected delegates by secret vote. They met at a State convention, roughly 500 of them. They said, "At last the common people are going to take charge of their own government in North Dakota," and they did. No honest

man called it socialism or communism. They said, "We are tired of paying 10 or 12 percent interest. We are tired of being told, 'If you want to connect up with the power line, it will cost you perhaps as much as \$1,300.'" They did not have an REA at that time, but the power companies owned the lines. In the case of my sister, who lived on a farm, the power company wanted \$1,300 to connect with the power line five poles away from her farm home.

We met for 4 days. We adopted a platform, and we submitted that platform to the people of our State. We won by an overwhelming vote.

"These are the same people, mind you, who in World War I won the prize for patriotism which was offered by Secretary McAdoo. The prize was won by Traill County, N. Dak.

We established a bank owned by the people. We appropriated \$2,000,000. That bank has been so successful that we have made an average profit of half a million dollars a year, and long ago we paid off the \$2,000,000. Today it is the largest bank between Minneapolis, Minn., and Seattle, Wash. All over that great State there were men who fought that bank. When it came to election time they were badly defeated.

Today in North Dakota when the grain in a county is attacked by rust, hail, or grasshoppers, or when an act of God adversely affects the people of any county, they do not have to do as counties in other States do, namely pay a large sum to a broker and pay a high rate of interest on bonds which are issued. They get the money from the Bank of North Dakota, in some instances at rates of interest as low as 1 percent. That is all Divide County, N. Dak., pays in the middle of the drought, while the brokers there ordinarily charge 5, 6, 7, or 8 percent. That bank does not make private loans. It handles public money. No Senator can give me any good reason why millions of dollars belonging to the various municipalities, any State, should go to private banks at a low rate of interest, to be loaned out at high rates. The Bank of North Dakota has been so successful that a short time ago it contributed a large sum of money to the bonus for the veterans of World War II.

Of course there was opposition. I remember when I was elected attorney general on that ticket. I was only a young man.

Those farmers promptly took care of the opposition, first by passing the fire and tornado insurance law. Without appropriating a nickel, the act provided that every single public building in the State should be insured by the State of North Dakota against fire and tornado. Today every municipality pays in whatever the State says its share is. We employ a firm in Ohio which every 6 months goes to every public building in our State to see that the laws against storage of gasoline, or any other fire hazards, are complied with. For years there has not been an assessment. My understanding may not be exactly accurate, as I have not gotten the figures lately, but I think there is a fund of nearly \$2,000,000 lying

in the Bank of North Dakota to the credit of that activity. The rates have been roughly one-third of what old-line companies charge.

Compare that situation with the testimony of 2 or 3 weeks ago, when I was in the so-called Five Percent Investigating Committee headed by the distinguished Senator from North Carolina [Mr. HOEY]. One firm in New York bid \$100,000 for insuring two ships, as I remember.

When the people of North Dakota wanted hail insurance, the insurance companies demanded \$1 an acre for \$10 insurance against hail. So we enacted the hail insurance law, and the cost was so greatly reduced that since the inauguration of that program the State has saved a little more than \$100,000,000 on hail insurance.

At one time the farmers could not build an elevator along the right-of-way. We organized the Equity Cooperative Exchange. It finally reached the point where it was handling about 6,000,000 bushels of grain at St. Paul, Minn.

What happened? Overnight the Minneapolis Chamber of Commerce set aside \$50,000 to fight the cooperative. It hired a former justice of our supreme court. It published an announcement in the Fargo Forum. A copy of the Fargo Forum was sent to about every box holder in our State. It contained a headline, "Equity exchange insolvent."

When we went into court we proved that it was not insolvent; but it required 6 years in the Federal Trade Commission in Washington to get a decision in favor of the farmers who owned the Equity Cooperative Exchange.

We went to the polls and amended our constitution so that the State of North Dakota could own its own terminal elevators. We carried that proposal by a vote of 3 to 1. We carried it over the objections of every single daily newspaper in North Dakota. Under our constitution we had to vote twice on the same question. It was said, "The mob might be aroused, and might vote for something they would regret later." So there had to be a 2-year interval before the second vote. With every single daily newspaper against us, we carried it 2 years later by a vote of 4 to 1.

One would think that the legislature and the Governor would go ahead and spend the \$300,000 authorized for publicly owned elevators. Mind you, we did not want all the elevator business. We wanted those public elevators so as to have a criterion to guide us. Do you suppose we could get that law passed? Finally 300 of us demanded that the legislature carry out the will of the people. They refused to do it. That was when we go busy and formed the Nonpartisan League which met on Lincoln's birthday, Washington's birthday, and the 1st of March. When the people got into power we not only spent \$300,000, but we built a mill and an elevator costing \$3,000,000—10 times as much. That is what those people did when they found that the officials paid no attention to the will of the people. We built the elevator at Grand Forks, N. Dak. Senators can judge how successful that has been when I say that every penny of that debt has

been paid off, and only a few months ago they turned over one-half million dollars to the State government, so the veterans could get their bonus.

I remember that in 1915, a former predecessor of mine, Senator Ladd, whom some of the present Members of the Senate remember, was Food Commissioner of North Dakota. He later became president of our agricultural college. He was an outstanding student of farm problems. In 1915 he issued the famous Bulletin No. 38, in which he said that the farmers of North Dakota had been robbed of \$20,000,000 to \$25,000,000. When our wheat was in the milk, the hot winds came and shriveled it. Mr. Ladd took some of the wheat to the Agricultural College, and had it baked into bread. I was one of the ones who came here with Senator Gronna, whom some of the present Members of the Senate will remember. Mr. Ladd proved every allegation he had made here in Washington, to the Bureau of Standards, and to others.

In 1935 they "stole" the crop again. But in 1937, when we had a very beautiful crop in North Dakota, the hot winds came. I was governor. If Senators will take the trouble to look at the newspapers of that date, they will find that on the 22d day of July 1937, 37-pound wheat was quoted on the market at 89 cents a bushel. The next morning the same wheat was quoted at 37 cents a bushel—a drop of 52 cents a bushel overnight. The men who say we should not give money to a country where the people protect themselves, should look at that record about the drop of 52 cents a bushel for wheat overnight. Before noon we had a meeting at the Waldorf Hotel at Fargo, N. Dak. I had with me a distinguished grain man from Minneapolis named Dickinson, who probably is known to the distinguished Senator from Minnesota. We had wheat experts from Canada. We had there our Railroad Commission and men from the Bank of North Dakota. That night we hired 100 men to go to the fields and take 2-pound samples of grain, just the heads, and mark the name of the farmer, the section, the township, and the range. We took those samples to the State elevator and threshed them and kept those samples separate, because we expected a lawsuit. Then we had the grain ground into flour, and saved some of the flour and some of the bran. Then our chemists baked bread out of the flour. Two thousand loaves of bread were baked from the 2,000 samples we had.

Then what happened? When the State of North Dakota, through its mill and elevator, went on the radio on July 27, just 4 days later, we offered 35 cents a bushel more to those farmers, and we offered to buy any amount of wheat from them—10 bushels, 100 bushels, or 100,000 bushels. We would take the storage tickets that any of those farmers had at any local elevators and would pay them 35 cents a bushel more. What happened? The grain trade came along and paid more than we paid at the elevator, thus saving, through the State mill and elevator, approximately \$12,000,000 in that one deal.

The distinguished junior Senator from South Dakota, who spoke here just a few

moments ago, perhaps can tell us what the people of South Dakota think about their State-owned cement plant. It has been a glorious success—just as successful as have the elevators at Buffalo, owned by the State of New York, or the city woodyards in Maine, or the fish market owned by the city of Seattle.

Mr. President, when we read this amendment, we see that it says, in part "which shall acquire or operate, in whole or in part, any basic industry thereof, other than industries the acquisition of which has been completed prior to the date of the enactment of this act."

Mr. President, if such an amendment is adopted and becomes part of the law, just think what the situation will be. If such a law had been in effect at the time when North Dakota took steps to protect its own citizens, it would not have been possible for our State to have enacted the various measures which were enacted at that time. When we built the elevator, which for the first time paid our farmers in North Dakota what their grain was actually worth, and for the first time made it possible for our consumers to get flour at reasonable rates, without paying tribute to any trust, we did something that was extremely worth while to all our people. That is why that operation has been so successful and that is why the people are so proud of it.

Mr. President, we opened the Bank of North Dakota for business on August 19, 1919, 30 years ago. For a few years after we opened it for business, some of the politicians ran on platforms opposed to it. One of them said, "If I am elected governor, I will throw the key to the Bank of North Dakota into the Missouri River." He was not elected.

It is significant that for the last 15 years, no political party in North Dakota has advocated repealing a single one of these State industries.

Mr. President, what was the record of North Dakota in the last war? What will people do when they have a real government to fight for? Just look at the record. Three times we headed every other State in the war bond drives, in the last war. We in North Dakota were first in the paper drive and first in the scrap-iron drive.

Senators gave talk about patriotism. Let me say that I remember that over in Sioux County, where there are a great many Indians, when the selective-service board sent notices to many of those Indians they went to the board and threw the notices on the desk at the selective-service office, and said, "When has it become necessary to draft a Sioux Indian to fight?"

So, Mr. President, I want the record to be kept clear. That record is that it is not compulsory for a farmer to take State hail insurance in North Dakota. It is not compulsory for him to deposit his money in the Bank of North Dakota. It is not compulsory for him to haul his grain to the State of North Dakota mill and elevator. But it is significant that since these institutions and these industries have been established there has been a criterion whereby a comparison could be made. Today it is no more necessary for people to use those industries

than it is for any one to use the postal service. Any American can send a letter by special messenger, if he wishes to, instead of by the United States post-office service. One does not have to use parcel post; a package can be sent by Railway Express, if desired. But, in any event, I am entirely satisfied, so far as this amendment is concerned, that under no consideration should it be adopted.

There has not been any effort for a long time to develop ways and means of curbing monopolies. Recently I read in the newspaper of the death in Minneapolis of the head of Lever Bros. How many corporations did the newspaper say he controlled? Four hundred and thirteen. Then one inquires where communism comes from. We can pick up the newspaper and read of oil companies having raised the price of oil 1 cent—not the Government, but the oil companies. We can pick up the newspaper and read concerning a man who had been nominated to be an Ambassador, that one of his companies controlled 300 large dairy companies.

So, Mr. President, I simply wanted to go on record. I should be very happy indeed, if anyone is interested, to furnish statements of the Bank of North Dakota, or of the fire and tornado fund, or of the fidelity bonds. I did not mention fidelity bonds, but in North Dakota a man who is elected to public office does not have to obtain a surety bond; he is automatically insured. An individual who is elected treasurer is not insured; the municipality is insured. It is significant that there has not been an assessment in that connection for the last 10 years or more. My understanding is there is a fund lying there of roughly \$1,000,000.

As I view the matter, instead of the different State activities I have mentioned bringing on communism, they head off communism. They permit the State to protect individuals who, without State aid, have been unable to protect themselves. It is significant that immediately following the adoption of the Bank of North Dakota law interest rates dropped from 10 or 12 percent in North Dakota to 5 and 6 percent.

I hope I have made myself clear. I want every Senator to know that I do not at all agree that, by the passage of legislation of this kind, anything is being done to head off communism. On the contrary, communism is being invited by it. The Congress, and I may add, the executive department, in my opinion, have not done as much as they should have done to use the resources of the Government to protect and help the little fellow.

AMENDMENT OF SECURITIES EXCHANGE ACT OF 1934

Mr. FREAR. Mr. President, I am introducing a bill designed to extend to all investors in large corporations the protections now afforded only a portion of them. The bill seems to me to be a logical product of investigations and recommendations which go back almost 50 years. As early as 1904 the United States Commissioner of Corporations in his annual report inveighed against "secrecy and dishonesty in promotion,

* * * secrecy of corporate administration, and misleading or dishonest financial statements" as the principal evils of the corporate form of organization. Presidents Theodore Roosevelt, Taft, and Wilson recommended that the Congress take steps to remedy these evils, and congressional investigations were conducted in 1911, 1932, 1933, and 1934 to ferret out and expose to the white light of publicity the more glaring examples.

The need for some regulations became of greatest urgency after the First World War, when the American people purchased corporate securities in unprecedented amounts. Congressional investigation disclosed that, from 1920 to 1933, approximately fifty billions of new issues were sold to American investors. Half of those issues were absolutely worthless by 1933. These losses in value were accompanied in many instances by abuses in the conduct of corporate affairs by officers, directors, and other insiders—abuses which were uncovered in the investigations of the early thirties. The result was an overwhelming popular sentiment that something had to be done to enforce more rigid fiduciary standards upon corporate managers.

In 1933, the President of the United States recommended legislation to protect investors against fraud in securities and blind buying of new security issues. He described this project as "but one step in our broad purpose of protecting investors and depositors." The resulting law, the Securities Act of 1933, requires complete and truthful disclosure of the financial condition of companies whose securities are being publicly offered.

A second step in the program of protecting investors was taken by the Congress the next year with the enactment of the Securities Exchange Act of 1934. That act was designed to further corporate democracy in companies having securities listed on national securities exchanges, to provide periodic information about those companies, and to free their securities from the manipulation of market operators who caused prices to fluctuate for their personal profit, to the detriment of public confidence in the markets, and to the loss of public investors. This act, too, has been successful, insofar as it goes, in its efforts to combat the evils at which it was aimed.

In the years 1935, 1936, 1938, and 1940 further steps were taken to protect investors. In 1935 the Congress enacted the Public Utility Holding Company Act to cope with the monstrous holding-company empires which had taken over such a large part of the utility properties of the Nation. In 1936 legislation was enacted requiring companies which register securities for public offering under the 1933 act to file annual reports with the Securities and Exchange Commission even though they do not list their securities on an exchange. In 1938, following the Commission's Protective Committee Study, chapter X of the Bankruptcy Act was enacted, under which the Commission is adviser to the courts in corporate reorganization proceedings. The next year the Trust Indenture Act was passed. By 1940, the purpose and

spirit of these laws had become so fully accepted as part of the scheme of Federal regulation that a unanimous Congress passed the Investment Company Act and the Investment Advisers Act, the last of the statutes in this series.

The Securities and Exchange Commission has done an excellent job in administering these acts. In spite of the difficulties encountered working in a complex and uncharted field the Commission has managed to make these statutes an accepted feature of our national economy without hampering legitimate business. By prompt and efficient action it has been able to eradicate many of the frauds and other abuses which prevailed prior to 1933. The Hoover Commission has pointed to it as "an outstanding example of the independent commission at its best," and I heartily concur in this view.

I heartily concur in this view.

But I have discovered that there are some areas in which the Commission is powerless under present law to provide essential safeguards against corporate abuses. Many investors have written me in anger and frustration about their inability to obtain from their officers and directors adequate information about the business they own, about their inability to exercise their corporate franchise to vote at annual meetings because of the type of proxy furnished, and about suspected "shenanigans" by corporate insiders. Upon investigating these complaints I have been astonished to learn that many of the companies which I believed to be covered by one or another of the securities laws enacted to protect investors were not in fact covered—and this includes some of the largest corporations in the United States. As chairman of the Banking and Currency subcommittee which is in charge of this field, I feel keenly my responsibility to do something to help correct this situation. I firmly believe that the Commission should be furnished with the authority to protect investors in all large corporations with widespread investor interest.

Because the Congress has proceeded step by step with these laws it has left gaps, unintentional and accidental, in the broad framework of protection it has provided for the Nation's investors. The Congress has given a measure of protection to investors in new securities, investors in securities listed on a national securities exchange, and investors in certain types of enterprise, such as public-utility holding companies and investment companies. But we have ignored the investors in large interstate corporations which are not parts of public utility holding systems or investment companies, and whose managements do not choose to list their securities on a national securities exchange. These investors do not have equal protection, even though their companies have securities widely distributed and actively traded. This double standard of investor protection seems an accidental rather than a deliberate omission, which can be attributed only to the piece-meal fashion in which the several statutes were adopted. It is to afford this group

of investors some of the essential safeguards now enjoyed by the others, and to remedy an illogical and unwarranted discrimination against them, that I introduce this bill.

The small investor, without help, is often left in the dark about his company's affairs. It is for him that the Congress legislated those portions of the Securities Exchange Act of 1934 and the similar portions of the Holding Company and Investment Company Acts which provide for periodic reports of financial condition. Whether he can read or understand them directly or seeks investment help, he is assured essential information about his company's affairs, as well as an opportunity to give an informed and intelligent vote, and he is protected against trading abuses by corporate insiders. These provisions are contained in sections 12, 13, 14, and 16 of the Securities Exchange Act and comparable sections of the Holding Company and Investment Company Acts. But, illogically, and by the accident of circumstances, these safeguards have been provided only to investors in listed companies, public utility holding company systems, and investment companies. The bill I offer is designed to extend these protective provisions to the security holders of large unregistered corporations whose securities are widely held.

The bill does not apply to companies which by any stretch of the imagination might be considered to represent small business. It applies only to companies with at least \$3,000,000 in assets and with enough public interest to have at least 300 security holders. Furthermore, the Commission would be authorized to add exemptions by rule as required by the public interest. Many of the companies which would be affected by the bill are, of course, much larger. There are at least a half-dozen companies with assets of \$200,000,000 or more and with a minimum of 3,000 security holders; the largest of these has \$861,000,000 of assets and over 11,000 stockholders. There is another company I could name which earned almost \$10,000,000 last year and has 7,200 stockholders, but which does not even furnish a balance sheet to the financial services, so that there is no way of ascertaining its total assets.

In 1946 the Securities and Exchange Commission in a report to the Congress, which was printed as House Document No. 672, Seventy-ninth Congress, second session, commented upon the illogical disparity in the present law and recommended the adoption of legislation such as the bill that is now being introduced. President Truman, in a special communication to both Houses, heartily endorsed this recommendation. I should like to refer to the studies contained in that proposal, which I understand are now being brought up to date.

The Commission, among other things, compared the reporting practices followed by registered and unregistered companies. Under the Securities Exchange Act of 1934, any company which lists its securities on an exchange must file with the Commission and with the exchange sufficient information to permit investors or their advisers to make

an intelligent appraisal of the merits of the particular securities and must keep that information up to date.

The annual reports of 119 companies with assets of at least \$3,000,000 and 300 or more security holders were examined by the Securities and Exchange Commission. In most instances the financial statements were woefully inadequate. About 13 percent of the companies furnished no income statement at all, and the income statements of many more were so highly condensed that they were of only limited value; in some cases the statements did not even report the earnings during the year. Over half of the balance sheets examined were materially deficient when judged by the accounting standards enforced under the Securities Exchange Act. Not a single company mentioned whether it had had any material transactions with insiders, or whether insiders had traded in the company stock. One company, whose annual report indicated that its 30,000 shares of common stock had a market price ranging from \$55 to \$63 per share, did not mention the fact that the company had granted its executives an option to purchase 3,500 shares at \$12 per share. All of this information, I believe, the investing public has a right to know, and it is one of the aims of the bill I have submitted to force such disclosure.

The Commission has also studied the proxy-soliciting practices of registered and unregistered companies. In the proxy field the possibility of abuse is so evident, where there are hundreds or thousands of scattered stockholders, that it requires little elaboration. Abuse of power feeds on ignorance. Responsible management should, affirmatively, welcome the informed participation of stockholders in corporate affairs requiring stockholder assent. It is to enforce the responsibility and strict accountability of management for their actions that section 14 of the Securities Exchange Act, regulating the solicitation of proxies, was adopted and similar provisions were inserted in the Holding Company and Investment Company Acts. In 15 years of experience these requirements have more than justified themselves in their effect on management relations with security holders, and the Commission has demonstrated that such provisions of law can be effectively enforced without interference with management responsibilities.

Under the rules adopted pursuant to section 14, management is required to inform all stockholders of the affairs of their corporation when their proxies are solicited and to give them an opportunity to cast their proxy votes intelligently. Nonmanagement groups are provided with an equal opportunity to solicit proxies and to offer proposals to be acted upon at the meetings. Thus, stockholders in companies which are registered upon a national securities exchange are afforded a real measure of corporate democracy, and, whether they live next door to the president of the company or in an isolated village far from the scene of activity, they are kept

informed about the business they own and are afforded a right to vote according to democratic traditions.

In contrast with this application of the principles of corporate democracy—without which our whole system of free enterprise would soon be in serious jeopardy—stand the proxy-soliciting practices of many of the large corporations which do not at present fall within the scope of any law regulating their practices. The Securities and Exchange Commission, in the study to which I have referred, was able to obtain the proxy-soliciting materials of 76 companies relating to 152 meetings. These companies comprised all the domestic companies with assets of over \$3,000,000 whose voting securities have unlisted trading privileges on the New York Curb Exchange and were traded during a sample year in a volume exceeding 5,000 shares. Although these large corporations, with their evident public interest, had the advantages of an exchange market, they were not subject to the provisions of the Securities Exchange Act of 1934, because their securities had been traded on a so-called unlisted basis since prior to 1934 and their managements had not chosen to list on the Curb or any other exchange. A casual examination of the list of these companies furnishes dramatic evidence of the illogical nature of our disclosure laws, which require many smaller companies with less public interest to comply with the provisions of the Securities Exchange Act but permit these companies to be exempt.

It is interesting to note that requests for proxies sent out in connection with 89 percent of the annual meetings of these companies did not even name the persons whom the management proposed to elect as directors. In connection with 42 percent of the annual meetings, one of the items was stated to be the approval and ratification of all of the acts of the management since the last meeting, with no specification of the nature of those acts. Only in a totalitarian state would the type of ballot in general use on these proxies have been tolerated, for 95 percent of the companies did not afford their stockholders an opportunity for a "Yes" or "No" vote on specific items. Indeed, in one case which has come to my attention recently, some ingenious representative of management proposed to print the proxy on the back of the company's dividend check, so that any stockholder who endorsed the check would automatically execute a proxy unless he indicated to the contrary by marking an "X" in a particular space. Unless legislation such as the proposed bill is enacted, the small stockholder in such corporations has no alternative but to grope blindly about for the correct exercise of his prerogatives as part owner of the business.

Finally, the bill which I offer attempts to extend to these large unregistered companies the controls now in force by virtue of section 16 of the Securities Exchange Act of 1934 over trading abuses by corporated insiders—that is, officers, directors, and large stockholders. Prior to the enactment of the Securities Exchange Act, profits from the sure-thing

speculation in the stocks of their corporations were, with easy morality, more or less generally accepted by the financial community as part of the return for serving as a corporate officer or director. The Senate report on the bill which became the Securities Exchange Act referred to a case where the president of a corporation and his brother, who controlled the company with a little over 10 percent of the shares, disposed of their holdings for upward of \$16,000,000 before the company passed a dividend and later repurchased them for about \$7,000,000.

Our laws have sought to remedy this type of abuse by forcing insiders who make short-term profits from trading in their companies' securities to give up these profits to the corporation. However, again for no good reason whatever—but only because of the fact that this series of statutes was not adopted as a logical whole—these safeguards likewise apply only to listed companies and those subject to the Holding Company or the Investment Company Act.

Consequently, abuse of inside information may continue in unregulated corporations, and in some cases has in fact continued, no matter how widespread in effect or how charged with public interest such transactions may be. When an insider learns of some marked change in the corporation's finances, he is naturally tempted to buy or sell, depending upon whether that change will be favorable or unfavorable. If he does buy or sell he is tempted to reverse his transaction when the news becomes generally known and the market reacts. He is thus able, without changing his relative holdings in the corporation, to obtain a profit at the expense of the stockholders with whom he deals. The temptation is strengthened, and opportunity for quick and immoral profit are increased, when corporate affairs are not conducted in the open under the light of publicity attendant upon registration, when rumors may circulate freely and be difficult to substantiate, and when financial statements of dubious quality are furnished. Yet it is in just this situation, where the need is greatest, that the law is remiss. I do not for a moment doubt that there are many honest men who do not yield to these temptations. I am sure that they can have no objection to a law which would prevent their less scrupulous brethren from seeking personal advantage by these dealings.

I believe that this bill should be supported by responsible management as well as by public investors; for the examples of irresponsibility which I have cited and which are made possible under existing law are, of course, deplored by many persons. Management which adheres to its fiduciary responsibilities at present will assume no added burden by virtue of the projected legislation, and the benefits to it will more than compensate for any slight inconvenience which may result. On the other hand, the prophylactic effect of the legislation as applied to marginal managements seeking to avoid their obligations will be of great public benefit.

This bill should have bipartisan support. The welfare of investors transcends party lines. I have in mind not only the fact that the Congress made the Commission itself a bipartisan agency, but also that the statutes have enjoyed a full measure of support from both parties. Although the first of these acts was not passed until 1933, the investigation of the Senate Banking and Currency Committee which resulted in the 1933 and 1934 acts began with a Senate resolution adopted in 1932; the tremendous study of the Federal Trade Commission which preceded the Public Utility Holding Company Act of 1935 goes all the way back to another Senate resolution adopted in 1928; and the two statutes which were passed in 1940 were adopted without a dissenting vote in either House. Protection of investors and depositors—like maintenance of free competition and the other major premises of our capitalistic system—is not the heritage of any one party or group.

I do not ask that hearings upon this bill be held during this session, but I am hopeful that full hearings may be had early next year. In the meantime, I am anxious to hear from all those who have any interest in this measure, and to have the benefit of constructive criticism. I believe it is an important measure, which is entitled to the most careful consideration.

Mr. President, in order to assist the Members of the Congress in their consideration of this bill, I request the unanimous consent of the Senate to the printing of the new report which the Securities and Exchange Commission is preparing and which will bring up to date its 1946 report to the Congress.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill (S. 2408) to amend the Securities Exchange Act of 1934, as amended, introduced by Mr. FREAR, was read twice by its title, and referred to the Committee on Banking and Currency.

FOREIGN AID APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year 1950, and for other purposes.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. What is the question before the Senate?

The VICE PRESIDENT. The question before the Senate is the appeal from the ruling of the Chair.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Downey	Gillette
Baldwin	Dulles	Graham
Brewster	Eaton	Gurney
Butler	Ellender	Hayden
Cain	Ferguson	Hendrickson
Capehart	Flanders	Hill
Chapman	Frear	Hoey
Cordon	Fulbright	Holland
Douglas	George	Humphrey

Ives	McCarthy	Robertson
Jenner	McClellan	Saltonstall
Johnson, Colo.	McFarland	Smith, Maine
Johnson, Tex.	McGrath	Sparkman
Johnston, S. C.	McKellar	Stennis
Kefauver	McMahon	Taylor
Kem	Magnuson	Thomas, Okla.
Kerr	Martin	Thomas, Utah
Kilgore	Maybank	Thye
Knowland	Millikin	Vandenberg
Langer	Morse	Wherry
Lodge	Mundt	Wiley
Long	Neely	Williams
Lucas	O'Connor	Young
McCarran	Pepper	

The VICE PRESIDENT. A quorum is present.

The question is: Shall the decision of the Chair stand as the judgment of the Senate.

Mr. LANGER and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. CORDON. Mr. President, I shall now make one of the shortest speeches of record. [Applause.]

The VICE PRESIDENT. The Chair recognizes the Senator from Oregon.

Mr. CORDON. I shall vote to override the ruling of the Chair because I believe the Kem amendment is a proper type of limitation on an appropriation bill. If the question comes to the merits of the amendment I shall vote against the Kem amendment.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALDWIN (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. BRICKER], who is necessarily absent. If he were present and voting, he would vote "nay" and if I were at liberty to vote I would vote "yea." I withhold my vote.

Mr. ELLENDER (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "nay" on this question. If I were at liberty to vote I would vote "yea." I withhold my vote.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Mississippi [Mr. EASTLAND], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are detained on official business.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

The Senator from Idaho [Mr. MILLER] is paired with the Senator from Utah [Mr. WATKINS]. If present and voting, the Senator from Idaho would vote "yea," and the Senator from Utah would vote "nay."

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator

from Rhode Island [Mr. GREEN], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH], who is detained on official business, is paired with the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Vermont [Mr. AIKEN] and the Senator from Iowa [Mr. HICKENLOOPER] are absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "yea."

The Senator from Ohio [Mr. BRICKER] is necessarily absent and his pair with the Senator from Connecticut [Mr. BALDWIN] has been previously announced.

The Senator from Utah [Mr. WATKINS], who is detained on official business, is paired with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Idaho would vote "yea."

The Senator from Kansas [Mr. REED] is detained on official business.

The Senator from Nevada [Mr. MALONE] is detained on official business and is paired with the Senator from New Hampshire [Mr. TOBEY], who is absent by leave of the Senate. If present and voting, the Senator from Nevada would vote "nay," and the Senator from New Hampshire would vote "yea."

The result was announced—yeas 50, nays 21, as follows:

YEAS—50

Anderson	Humphrey	Millikin
Chapman	Ives	Morse
Donnell	Johnson, Tex.	Neely
Douglas	Johnson, S. C.	O'Connor
Downey	Kefauver	Pepper
Dulles	Kerr	Robertson
Flanders	Kilgore	Saltonstall
Frear	Knowland	Smith, Maine
Fulbright	Langer	Sparkman
George	Lodge	Stennis
Gillette	Long	Taylor
Graham	Lucas	Thomas, Utah
Gurney	McFarland	Thye
Hayden	McGrath	Vandenberg
Hill	McMahon	Wiley
Hoey	Magnuson	Young
Holland	Maybank	

NAYS—21

Brewster	Hendrickson	McKellar
Butler	Jenner	Martin
Cain	Johnson, Colo.	Mundt
Capehart	Kem	Schoeppel
Cordon	McCarran	Thomas, Okla.
Ecton	McCarthy	Wherry
Ferguson	McClellan	Williams

NOT VOTING—25

Aiken	Green	Russell
Baldwin	Hickenlooper	Smith, N. J.
Bricker	Hunt	Taft
Bridges	Malone	Tobey
Byrd	Miller	Tydings
Chavez	Murray	Watkins
Connally	Myers	Withers
Eastland	O'Mahoney	
Ellender	Reed	

So the decision of the Chair stood as the judgment of the Senate.

Mr. KEM. Mr. President, in accordance with the notice already given, I move that paragraph 4 of rule XVI be suspended with reference to the amendment which I desire to offer, and I ask for the yeas and nays on my motion.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Missouri [Mr. KEM] to suspend paragraph 4 of rule XVI to enable him to offer a certain amendment.

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALDWIN (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES], who are necessarily absent. If the Senator from Ohio and the Senator from New Hampshire were present and voting, they would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Mississippi [Mr. EASTLAND], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] are detained on official business.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Utah [Mr. WATKINS] are paired on this vote with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Mississippi and the Senator from Utah would vote "yea," and the Senator from Idaho would vote "nay."

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Rhode Island [Mr. GREEN], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] who is detained on official business, if present and voting, would vote "nay."

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Vermont and

the Senator from New Hampshire would vote "nay."

The Senator from Ohio [Mr. BRICKER] is necessarily absent and his pair has been previously announced.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent and his pair has been previously announced.

The Senator from Utah [Mr. WATKINS], who is detained on official business and the Senator from Mississippi [Mr. EASTLAND] are paired with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Utah and the Senator from Mississippi would vote "yea," and the Senator from Idaho would vote "nay."

The Senator from Kansas [Mr. REED] is detained on official business.

The result was announced—yeas 24, nays 49, as follows:

YEAS—24

Brewster	Hendrickson	McKellar
Butler	Jenner	Malone
Cain	Johnson, Colo.	Martin
Capehart	Johnston, S. C.	Mundt
Cordon	Kem	Schoeppel
Ecton	McCarran	Thomas, Okla.
Ferguson	McCarthy	Wherry
Frear	McClellan	Williams

NAYS—49

Anderson	Humphrey	Morse
Chapman	Ives	Neely
Donnell	Johnson, Tex.	O'Connor
Douglas	Kefauver	Pepper
Downey	Kerr	Robertson
Dulles	Kilgore	Saltonstall
Ellender	Knowland	Smith, Maine
Flanders	Langer	Sparkman
Fulbright	Lodge	Stennis
George	Long	Taylor
Gillette	Lucas	Thomas, Utah
Graham	McFarland	Thye
Gurney	McGrath	Vandenberg
Hayden	McMahon	Wiley
Hill	Magnuson	Young
Hoey	Maybank	
Holland	Millikin	

NOT VOTING—23

Aiken	Green	Russell
Baldwin	Hickenlooper	Smith, N. J.
Bricker	Hunt	Taft
Bridges	Miller	Tobey
Byrd	Murray	Tydings
Chavez	Myers	Watkins
Connally	O'Mahoney	Withers
Eastland	Reed	

The VICE PRESIDENT. On this vote the yeas are 24, and the nays 49. Two-thirds of the Senators present not having voted in the affirmative, the motion of the Senator from Missouri [Mr. KEM] is rejected.

If there are no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. LANGER and other Senators asked for the yeas and nays, and they were ordered.

Mr. TAYLOR. Mr. President, I should like to say that I am opposed to the passage of the bill. I wish to make it plain that it is not because I am opposed to aiding people, but I have been opposed to the program from the beginning, because I thought, and I still think, that it should have been handled through the United Nations, to build up

that organization, instead of weakening it, as the present method of administering the Marshall plan or the ECA, or whatever it may be called, has done.

The VICE PRESIDENT. The question is, Shall the bill pass? The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALDWIN (when his name was called). I have a pair with the junior Senator from Ohio [Mr. BRICKER]. I am informed that he would vote as I intend to vote. Therefore, I am at liberty to vote. I vote "yea."

Mr. McCLELLAN (when his name was called). On this question, I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. McGRATH. My colleague, the senior Senator from Rhode Island [Mr. GREEN] is unavoidably absent from the Senate on public business. If present, he would vote "yea."

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Idaho [Mr. TAYLOR] are detained on official business.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Kentucky [Mr. WITHERS] is absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is paired on this vote with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Idaho would vote "nay", and the Senator from Maryland would vote "yea".

The Senator from Idaho [Mr. MILLER] has a general pair with the Senator from Utah [Mr. WATKINS]. If present and voting both the Senator from Idaho and the Senator from Utah would vote "yea."

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Kentucky [Mr. WITHERS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] who is detained on official business and if present and voting would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent and if present and voting, would vote "yea."

The Senator from Ohio [Mr. TAFT] is necessarily absent and if present and voting, would vote "yea."

The Senator from Vermont [Mr. AIKEN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate. If present and voting, the Senator from Vermont and the Senator from New Hampshire would vote "yea."

The Senator from Ohio [Mr. BRICKER] is necessarily absent and his pair has been previously announced. If present and voting, the Senator from Ohio would vote "yea."

The Senator from Utah [Mr. WATKINS] who is detained on official business has a general pair with the Senator from Idaho [Mr. MILLER]. If present and voting, both the Senator from Utah and the Senator from Idaho would vote "yea."

The Senator from Kansas [Mr. REED], is detained on official business.

The result was announced—yeas 63, nays 7, as follows:

YEAS—63

Anderson	Hill	Martin
Baldwin	Hoey	Maybank
Brewster	Holland	Millikin
Cain	Humphrey	Morse
Chapman	Ives	Mundt
Cordon	Johnson, Colo.	Neely
Donnell	Johnson, Tex.	O'Connor
Douglass	Kefauver	Pepper
Downey	Kerr	Robertson
Dulles	Kilgore	Saltonstall
Eaton	Knowland	Schoeppel
Ellender	Lodge	Smith, Maine
Ferguson	Long	Sparkman
Flanders	Lucas	Stennis
Frear	McCarran	Thomas, Okla.
Fulbright	McCarthy	Thomas, Utah
George	McFarland	Thye
Graham	McGrath	Vandenberg
Gurney	McKellar	Wherry
Hayden	McMahon	Wiley
Hendrickson	Magnuson	Young

NAYS—7

Capehart	Kem	Williams
Jenner	Langer	
Johnston, S. C.	Malone	

NOT VOTING—26

Alken	Green	Russell
Bricker	Hickenlooper	Smith, N. J.
Bridges	Hunt	Taft
Butler	McClellan	Taylor
Byrd	Miller	Tobey
Chavez	Murray	Tydings
Connally	Myers	Watkins
Eastland	O'Mahoney	Withers
Gillette	Reed	

So the bill (H. R. 4830) was passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The VICE PRESIDENT. The Chair would like to call the attention of the Senator from Tennessee, the chairman of the committee, to the fact that the list of conferees sent to the Chair contains eight names. As a rule an odd number of conferees is appointed, so there cannot be an even division on the part of the Senate conferees and thereby cause what might be a difficulty in a majority deciding upon any point. The Chair is not interested in who the con-

ferees are, but it is not customary to have an even number. The Chair wondered whether an even number of conferees was suggested intentionally or by accident.

Mr. McKELLAR. I observed the defect in the number of conferees. I may say I always leave it to the secretary of the committee to prepare the list.

The VICE PRESIDENT. The motion adopted is that the Chair appoint the conferees.

Mr. McKELLAR. I understand Mr. President, but the secretary of the committee always hands me a memorandum.

The VICE PRESIDENT. The Chair understands.

Mr. McKELLAR. He selects them because of their standing on the subcommittee and on the committee. However, to avoid any possible difficulty about it, I understand the Senator from Michigan [Mr. FERGUSON] would come next on the list furnished by the secretary of the committee. I therefore suggest the addition to the list of the name of the Senator from Michigan.

The VICE PRESIDENT. The number would be nine, instead of eight; is that correct?

Mr. McKELLAR. That is correct.

The VICE PRESIDENT. The Chair merely called the matter to the attention of the Senator from Tennessee.

Mr. McKELLAR. I thank the Chair.

The VICE PRESIDENT. The Chair will add to the list the name of the Senator from Michigan, and will appoint the conferees.

The VICE PRESIDENT appointed Mr. McKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. McCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. REED, and Mr. FERGUSON conferees on the part of the Senate.

DELIVERED-PRICE SYSTEMS AND FREIGHT ABSORPTION PRACTICES

Mr. McCARRAN. Mr. President, I ask the attention of the leaders on both sides. I ask unanimous consent that Senate bill 1008, to provide a 2-year moratorium with respect to the application of certain antitrust laws to individual, good-faith delivered-price systems and freight-absorption practices commonly known as the basing-point bill, which came from the House of Representatives with amendments, be printed with the House amendments numbered. The bill with the House amendments has not been printed thus far. The matter will come before the Senate probably tomorrow or some other time soon. I think the bill should be printed with the House amendments included, so that all Senators may have access to the bill as it was changed by the House of Representatives.

I ask such unanimous consent.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG. As I understand the unanimous-consent agreement is to have the bill printed; is that correct?

Mr. McCARRAN. That is correct, with the House amendments.

Mr. WHERRY. Mr. President, I may state that on Friday, unanimous consent was given to make that bill the pending business immediately after the call of the calendar.

ORDER FOR RECESS TOMORROW TO RECEIVE THE PRESIDENT OF THE PHILIPPINE REPUBLIC

Mr. LUCAS. Mr. President, I ask unanimous consent that tomorrow, August 9, at approximately 12 o'clock noon, the Senate stand in recess for the purpose of receiving the President of the Republic of the Philippines, the Honorable Elpidio Quirino, and that the Chair appoint a committee to escort President Quirino into the Chamber.

The VICE PRESIDENT. At what hour does the Senator suggest?

Mr. LUCAS. Approximately 12 o'clock. I cannot say exactly.

The VICE PRESIDENT. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The VICE PRESIDENT appointed Mr. CONNALLY, Mr. VANDENBERG, Mr. LUCAS, Mr. MYERS, and Mr. WHERRY as a committee to escort the President of the Republic of the Philippines into the Chamber at such hour as may be convenient, and as nearly 12 o'clock as possible.

CALL OF THE CALENDAR TOMORROW

Mr. LUCAS. Mr. President, on Friday, in the absence of the Senator from Illinois, a unanimous-consent agreement was entered whereby the calendar of bills to which there is no objection is to be made following the disposition of the pending measure. It had been anticipated that we would dispose of that bill earlier this afternoon. It is now a quarter to seven, and there is no point in taking up the calendar at this time. We will take it up tomorrow following the address by the distinguished visitor from the Philippines.

TRANSFER OF TOWER ON LOWER SOURIS NATIONAL WILDLIFE REFUGE TO INTERNATIONAL PEACE GARDEN, INC., NORTH DAKOTA—CONFERENCE REPORT

Mr. JOHNSON of Colorado. Mr. President, I submit a conference report on House bill 3751, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The conference report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3751) to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

EDWIN C. JOHNSON,
ERNEST W. MCFARLAND,
CHAS. W. TOBEY,

Managers on the Part of the Senate.

CLARK W. THOMPSON,
JAMES B. HARE,
ALVIN F. WEICHEL,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 9, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 8 (legislative day of June 2), 1949:

IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (X) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be captains

James Franklin Alexander, 12043A.
Edmund Beard Anderson, 12114A.
John Henry Archer, Jr., 12013A.
Arpod Julius Artwohl, 12153A.
X Glenn Wesley Askwig, 12085A.
X Robert Orr Barney, 12057A.
Charles Colburn Barnum, Jr., 12042A.
Ibrie Morris Beatty, Jr., 12017A.
David Paul Black, 12052A.
Raymond Walter Wallis Booth, 12104A.
Clyde Raymond Borchers, 12124A.
Felix George Brenner, 12000A.
X Charles Walter Brion, 12094A.
Stephen Dwight Bull, Jr., 12066A.
Jerry A. Bunnell, 11990A.
John James Burnett, Jr., 12071A.
John Earl Butler, 12182A.
Victor Nicholas Cabas, 12162A.
Truman Fletcher Cadwell, 12174A.
Thomas Joseph Callander, 12063A.
Wallace Horace Cameron, 12044A.
Daniel Ralph Carter, 11983A.
David Lawrence Carter, 12035A.
Leonard Nelson Cathcart, 12118A.
Jack Tabor Chandler, 12024A.
Albert Vernon, Chapman, Jr., 12089A.
Andrew Robertson Clark, 12062A.
John Combe, 3d, 12170A.
Carl Laverne Cook, Jr., 12019A.
William Enos Cooper, 12082A.
Loyal William Crowe, 12021A.
Louis Gerald Cruciana, 12175A.
Daniel George Cummins, 12136A.
George Chancellor Cunningham, 12135A.
Foster Davidoff, 12150A.
Robert Spencer Davidson, 12131A.
Kenneth Cameron Dean, 12014A.
John Charles Dennis, 12141A.
Alvin Warnick Dill, 11974A.
X Charles Adolph Donohoe, 12126A.
Brendan Joseph Doran, 12083A.
Richard Carol Dornbrock, 11960A.
Robert Aloysius Duffy, 11984A.
X Kenneth Radcliff Duncan, 12098A.
Joseph Edward Duval, 11989A.
Arthur Ralph Edwards, 12091A.
Clayton Revis Eldredge, 11985A.
Samuel Michael Elias, 12096A.
Joseph DuBois Elsberry, 12027A.
Orville Leslie Erdmann, 12028A.
Michael Evanco, 12065A.
Franklin Allan Everett, 12180A.
Carl Grant Eyler, 12122A.
Attilio Thomas Fachetti, 12100A.
Herman Mouzon Farmer, 12055A.
Robert Farr, 12109A.
Everett Nicholas Farrell, 12003A.
X Edward Aaron Fayman, 12064A.
X Joe Louis Fernandes, 12111A.
Robert Lee Fisher, 12138A.
X Oscar Charles Fitzhenry, 12031A.
James Thomas Fitzpatrick, Jr., 12018A.
X Jerry Francis Flicek, 12113A.
John Fletcher Floyd, 12074A.
X Geoffrey Ralph Ford, 12183A.
Oscar Creighton Ford, 12086A.
X Herbert Francis Foye, 12120A.
Russel Roch Frederick, 12148A.
Marshall Vernon Fredrickson, 12069A.
Herbert George Gardner, 12053A.
X Edmond Noble Gates, 12080A.
William Moore Gates, 12115A.
Ernest Dale Goddard, 12103A.
Walter Frederick Gonske, 11973A.
John Albert Griffin, 12049A.
Lester Edwin Gunter, 12040A.
Charles William Haney, 12002A.
X Harrison Hayden Hannah, Jr., 12171A.
Edwin Clifford Hanson, 12099A.
Claude Mayfield Hardy, 12127A.
Preston Bethea Hardy, 11969A.
Clifford Winnie Harmon, 12056A.
Carl Truett Harris, 12012A.
Bruce Ray Hathaway, 11959A.
Hemphill Vern Heath, 12163A.
Albert Burkett Hemmer, 11988A.
Horace Lynn Henderson, 12165A.
Jack Herring, 12060A.
Benjamin Franklin Hester, 12011A.
George Emory Hewitt, 12081A.
Charles Kimball Hicks, 12130A.
Lyndell Thomassen Highley, 11977A.
John Wakefield Hiney, 12105A.
Walton Lewis Hogan, 12143A.
X Robert Francis Hood, 12015A.
Charles Hopkins, Jr., 11962A.
Herbert Bryan Howard, Jr., 12009A.
Joseph Virgil Howell, 12088A.
Lewis Carroll Hughes, 12025A.
John Gilbert James, 12008A.
X Thomas Bennett Johnson, 12119A.
Wallace Wilson Johnston, 12106A.
Robert Lewis Jones, 11961A.
John Alwine Keiper, Jr., 12051A.
Kave B. King, Jr., 12006A.
William Harris Kinney, 11999A.
Gerald Percival Knutson, 12154A.
Thomas Francis Kozul, 12001A.
X Garold Bretislav Kubicek, 12108A.
James Lake, 12145A.
Joseph Richard Lambert, 12039A.
Rayburn Dinion, Lancaster, 12022A.
Charles William Lasko, 12169A.
Harlan Lee Laughlin, 11993A.
Willie Edgar Livesay, 11958A.
James Thomas McElroy, 11994A.
George Pope McKay, 12029A.
Mack Arthur McLain, 12030A.
X Benjamin Charles Marshall, 12129A.
Gilbert Atherton Masden, 11991A.
Wallace Ancil Mason, 12045A.
Holman Cooper Massey, 11998A.
X Paul Emil Mensing, 12117A.
James Henry Miles, Jr., 12050A.
X Jack Walter Mills, 12137A.
Joe Rose Mills, 12101A.
Edgar Waldron Moody, 11971A.
Emory Claude Morgan, 12112A.
Brian Kent Moyers, 12173A.
Billy Joe Munnerlyn, 12090A.
Thomas Lee Myers, 11995A.
Joseph Carl Nawrocki, 12041A.
James William Nesbitt, 12032A.
Howard Louis Nicks, 12134A.
Austin Nielsen, 11964A.
Alson Valentine Nolan, Jr., 12095A.
Wallace Orville Nordenstrom, 12059A.
Henry Michael O'Connor, 11972A.
Vance Oehme, 12076A.
Jack Pershing Orr, 11978A.
X George Joseph Ott, 12133A.
Arthur Wellesley Owen, Jr., 12166A.
Jack R. Packwood, 12123A.
Robert John Partridge, 12107A.
Gene Murray Patton, 12034A.
X Karl Reese Pearson, 12097A.
Glen Amos Pebbles, 12159A.
William Wallace Penn, Jr., 12023A.
Sumner William Peterson, 11992A.

81ST CONGRESS
1ST SESSION

H. R. 4830

IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1949

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for foreign aid for the fiscal year ending
June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1950, namely:

TITLE I

(1) *LEGISLATIVE BRANCH*

SENATE

CONTINGENT EXPENSES OF THE SENATE

10 *Joint Committee on Foreign Economic Cooperation:*
11 *For salaries and expenses of the Joint Committee on For-*

1 *eign Economic Cooperation, as authorized by Public Law*
2 *472, Eightieth Congress, as amended by Public Law 47,*
3 *Eighty-first Congress, including per diem and subsistence*
4 *expenses, without regard to the Travel Expense Act of 1949,*
5 *approved June 9, 1949, \$344,000: Provided, That this*
6 *appropriation shall be available from and including July 1,*
7 *1949, for the purpose provided herein. All obligations in-*
8 *curred during the period between July 1, 1949, and the*
9 *date of the enactment of this Act in anticipation of such*
10 *appropriation are hereby ratified and confirmed if in accord-*
11 *ance with the terms hereof.*

12 FUNDS APPROPRIATED TO THE PRESIDENT

13 ECONOMIC COOPERATION

14 For expenses necessary to enable the President to carry
15 out the provisions of the Economic Cooperation Act of 1948,
16 as amended by the Act of April 19, 1949 (Public Law
17 47), for the period commencing April 3, 1949, through
18 June 30, 1949, including expenses of attendance at meet-
19 ings concerned with the purposes of this appropriation (not
20 to exceed \$6,000); hire of passenger motor vehicles;
21 maintenance and operation and hire of aircraft; payment
22 of damage claims pursuant to law (28 U. S. C. 2672);
23 health service program as authorized by law (5 U. S. C.
24 150); rents in the District of Columbia; transportation of
25 privately owned automobiles; entertainment (not to exceed

1 \$6,000) ; exchange of funds without regard to section 3651
2 of the Revised Statutes; and loss by exchange; \$1,074,-
3 000,000 ~~(2)~~, of which not to exceed \$125,000 shall be avail-
4 able for expenditures of a confidential character (other than
5 entertainment) under the direction of the Administrator or
6 the Deputy Administrator who shall make a certificate of
7 the amount of each such expenditure which he may think
8 it advisable not to specify, and every such certificate shall
9 be deemed a sufficient voucher for the amount therein speci-
10 fied: *Provided*, That not to exceed \$4,400,000 in the
11 aggregate shall be available from this appropriation and
12 the appropriation under this head in the Foreign Aid Ap-
13 propriation Act, 1949, for administrative expenses during the
14 period April 3, 1949, through June 30, 1949.

15 For expenses necessary to enable the President to carry
16 out the provisions of the Economic Cooperation Act of 1948,
17 as amended by the Act of April 19, 1949 (Public Law 47),
18 for the fiscal year ending June 30, 1950, including expenses
19 of attendance at meetings concerned with the purposes of
20 this appropriation (not to exceed \$30,000) ; purchase (not
21 to exceed two) and hire of passenger motor vehicles; main-
22 tenance and operation and hire of aircraft; payment of
23 damage claims pursuant to law (28 U. S. C. 2672) ; health
24 service program as authorized by law (5 U. S. C. 150) ;
25 rents in the District of Columbia; transportation of privately

1 owned automobiles; entertainment (not to exceed \$25,000) ;
 2 exchange of funds without regard to section 3651 of the
 3 Revised Statutes; and loss by exchange; ~~(3)\$3,568,470,000~~
 4 ~~\$3,628,380,000~~, of which not to exceed ~~(4)\$500,000~~ \$200,-
 5 000 shall be available for expenditures of a confidential char-
 6 acter (other than entertainment) under the direction of the
 7 Administrator or the Deputy Administrator, who shall make
 8 a certificate of the amount of each such expenditure which
 9 he may think it advisable not to specify, and every such
 10 certificate shall be deemed a sufficient voucher for the amount
 11 therein specified: *Provided*, That this appropriation shall be
 12 consolidated and merged with appropriations under this head
 13 for prior periods, and such consolidated appropriation may
 14 be used during the fiscal year 1950 within limitations herein
 15 specified: *Provided further*, That not to exceed \$16,500,000
 16 of such consolidated appropriation shall be available for ad-
 17 ministrative expenses during the fiscal year 1950 ~~(5)~~, of
 18 which not more than \$25,000 shall be available to carry out
 19 the provisions of section 115 (f) of the Economic Cooperation
 20 Act of 1948, as amended by the Act of April 19, 1949
 21 (Public Law 47) ~~(6)~~: ~~Provided further~~, That the entire
 22 amount may be apportioned for obligation or may be obli-
 23 gated and expended, if the President after recommendation
 24 by the Administrator deems such action necessary to carry
 25 out the purposes of said Act during the period ending May

1 ~~45, 1950~~ (7): *Provided further, That the Administrator is*
2 *authorized to issue notes from time to time during the fiscal*
3 *year 1950 for purchase by the Secretary of the Treasury in*
4 *an amount not exceeding in the aggregate \$150,000,000, for*
5 *the purpose of allocating funds during such fiscal year to the*
6 *Export-Import Bank of Washington for assistance on credit*
7 *terms under the provisions of said Act; and the provisions of*
8 *paragraph (2) of section 111 (c) of said Act shall, to the*
9 *extent applicable, be applicable to the notes authorized to be*
10 *issued in this proviso and to all functions of the Administrator,*
11 *the Secretary of the Treasury, and the Export-Import Bank*
12 *of Washington in extending the assistance provided for*
13 *herein.*

14 (8) *The Administrator shall utilize such amounts of the*
15 *local currency allocated pursuant to section 115 (h) of*
16 *Public Law 472, Eightieth Congress, as amended, as may*
17 *be necessary, to give full and continuous publicity through*
18 *the press, radio, and all other available media, so as to*
19 *inform the peoples of the participating countries regarding*
20 *the assistance, including its purpose, source, and character,*
21 *furnished by the American taxpayer: Provided, That quar-*
22 *terly reports for the fiscal year 1950 shall be made to the*
23 *Congress by the Administrator of the program undertaken*
24 *pursuant to this section.*

1 ASSISTANCE TO GREECE AND TURKEY

2 For an additional amount for "Assistance to Greece
3 and Turkey", as authorized by the Act of May 22, 1947
4 (61 Stat. 103), as amended and supplemented, to be avail-
5 able immediately, ~~(9)\$50,000,000~~ \$45,000,000, which, to-
6 gether with the amounts heretofore appropriated under this
7 head, shall remain available until June 30, 1950; and the
8 existing limitation under this head in the Foreign Aid Ap-
9 propriation Act, 1949, on the amount available for adminis-
10 trative expenses, shall continue in effect; and the existing
11 limitation under said head on the amount available for such
12 expenses in the District of Columbia is increased from
13 "\$400,000" to "\$425,000": *Provided*, That said limitations
14 shall apply only to the administrative expenses of the Depart-
15 ment of State.

16 (10) CHINESE STUDENTS

17 *The President is authorized and directed to allocate to*
18 *the Secretary of State the sum of \$4,000,000 out of any*
19 *unobligated balance of the amount made available under*
20 *section 12 of the Act entitled "An Act to amend the Eco-*
21 *nomic Cooperation Act of 1948", approved April 19, 1949*
22 *(Public Law 47, Eighty-first Congress), to be used, under*
23 *such regulations as the Secretary of State may prescribe,*
24 *for necessary expenses of tuition, subsistence, and return*
25 *passage to China for selected citizens of China to study in*

1 *accredited colleges, universities, or other educational institu-*
2 *tions in the United States approved by the Secretary of State*
3 *for the purposes of this paragraph; such amount to remain*
4 *available until expended.*

5 NATIONAL MILITARY ESTABLISHMENT

6 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

7 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

8 For expenses, not otherwise provided for, necessary to
9 meet the responsibilities and obligations of the United States
10 in connection with the government or occupation of certain
11 foreign areas, including personal services in the District of
12 Columbia and elsewhere and, subject to such authorizations
13 and limitations as may be prescribed by the head of the
14 department or agency concerned, tuition, personal allow-
15 ances (not to exceed \$10 per day), travel expenses (not
16 to exceed those authorized for like United States military
17 or civilian personnel), and fees incident to instruction in
18 the United States or elsewhere of such persons as may be
19 required to carry out the provisions of this appropriation;
20 travel expenses and transportation; services as authorized
21 by section 15 of the Act of August 2, 1946 (5 U. S. C.
22 55a), at rates not in excess of \$50 per diem for individuals;
23 health service program as authorized by law (5 U. S. C.
24 150); payment of claims pursuant to law (28 U. S. C.
25 2672); translation rights, photographic work, educational

1 exhibits, and dissemination of information, including preview
 2 and review expenses incident thereto; expenses incident to
 3 the operation of schools for American children; printing
 4 and binding; purchase and hire of passenger motor vehicles
 5 and aircraft; repair and maintenance of buildings, utilities,
 6 facilities, and appurtenances; contingencies for the United
 7 States commanders, commissioners, or other administrators
 8 of foreign areas, to be expended in their respective discre-
 9 tions (not exceeding amounts authorized or approved by
 10 the head of the department or agency concerned); such
 11 minimum supplies for the civilian populations of such areas
 12 as may be essential to prevent starvation, disease, or unrest.
 13 prejudicial to the objectives sought to be accomplished;
 14 and such supplies, commodities, and equipment as may be
 15 essential to carry out the purposes of this appropriation;
 16 (11) ~~\$925,000,000~~ \$900,000,000, of which not to exceed
 17 (12) ~~\$45,000,000~~ \$40,000,000 shall be available for
 18 administrative expenses: *Provided*, That the general
 19 provisions of the appropriation Act for the fiscal year
 20 1950 for the military functions of the Department of the
 21 Army shall apply to expenditures made by that De-
 22 partment from this appropriation: *Provided further*,
 23 That expenditures from this appropriation may be made out-
 24 side continental United States, when necessary to carry out
 25 its purposes, without regard to sections 355, 1136, 3648, and

1 3734, Revised Statutes, as amended, civil service or classifi-
2 cation laws, or provisions of law prohibiting payment of
3 any person not a citizen of the United States: *Provided*
4 *further*, That expenditures from this appropriation may be
5 made, when necessary to carry out its purposes, without
6 regard to section 3709, Revised Statutes, as amended, and
7 the Armed Services Procurement Act of 1947 (Public
8 Law 413, Eightieth Congress): *Provided further*, That
9 expenditures may be made hereunder for the purposes of
10 economic rehabilitation in the occupied areas in such manner
11 as to be consistent with the general objectives of the Eco-
12 nomic Cooperation Act of 1948, as amended: *Provided*
13 *further*, That funds appropriated hereunder and unexpended
14 at the time of the termination of occupation by the United
15 States, of any area for which such funds are made available,
16 may be expended by the President for the procurement of
17 such commodities and technical services, and commodities
18 procured from funds herein or heretofore appropriated for
19 government and relief in occupied areas and not delivered
20 to such an area prior to the time of the termination of
21 occupation, may be utilized by the President, as may be
22 necessary to assist in the maintenance of the political and
23 economic stability of such areas: *Provided further*, That be-
24 fore any such assistance is made available, an agreement shall

1 be entered into between the United States and the recog-
2 nized government or authority with respect to such area
3 containing such undertakings by such government or author-
4 ity as the President may determine to be necessary in order
5 to assure the efficient use of such assistance in furtherance
6 of such purposes: *Provided further*, That such agreement
7 shall, when applicable, include requirements and under-
8 takings corresponding to the requirements and undertakings
9 specified in sections 5, 6, and 7 of the Foreign Aid Act of
10 1947 (Public Law 389, approved December 17, 1947)
11 ~~(13)~~: *Provided further*, That service of an individual
12 rendered under this appropriation as an expert, consultant,
13 adviser, or technician shall not be considered as service or
14 employment bringing such individual within the provisions
15 of sections ~~281~~ or ~~283~~ of title 18, United States Code, of
16 section 190, Revised Statutes (5 U. S. C. 99), or of
17 section 19 (c) of the Contract Settlement Act of 1944, or
18 of any other Federal law imposing restrictions, requirements,
19 or penalties in relation to the employment of persons, the
20 performance of services, or the payment or receipt of com-
21 pensation in connection with any claim, proceeding, or
22 matter involving the United States: *Provided further*, That
23 funds appropriated hereunder may be used, insofar as prac-
24 ticable, and under such rules and regulations as may be
25 prescribed by the head of the department or agency con-

1 cerned, to pay ocean transportation charges from United
2 States ports, including territorial ports, to ports in Japan
3 and the Ryukyus for the movement of supplies donated to,
4 or purchased by, United States voluntary nonprofit relief
5 agencies registered with and recommended by the Advisory
6 Committee on Voluntary Foreign Aid or of relief packages
7 consigned to individuals residing in such countries: *Pro-*
8 *vided further*, That under the rules and regulations to be
9 prescribed, the head of the department or agency concerned
10 shall fix and pay a uniform rate per pound for the ocean
11 transportation of all relief packages of food or other general
12 classification of commodities shipped to Japan or the
13 Ryukyus regardless of methods of shipment and higher rates
14 charged by particular agencies of transportation, but this
15 proviso shall not apply to shipments made by individuals
16 to individuals: *Provided further*, That the President may
17 transfer to any other department or agency any function or
18 functions provided for under this appropriation, and there
19 shall be transferred to any such department or agency such
20 unobligated balances of this appropriation and, without reim-
21 bursement and without regard to the appropriation from
22 which procured, such property as the Director of the Bureau
23 of the Budget shall determine to relate primarily to any
24 function or functions so transferred; and any funds so trans-
25 ferred may be expended either under the authority contained

1 herein or under the authority governing the activities of
 2 the department or agency concerned (14): *Provided further,*
 3 *That when the Department of the Army, under the authority*
 4 *of the Act of March 3, 1911, as amended (10 U. S. C.*
 5 *1253), furnishes subsistence supplies to personnel of civilian*
 6 *agencies of the United States Government serving in Ger-*
 7 *many, payment therefor by such personnel shall be made*
 8 *without regard to the 10 per centum additional charge*
 9 *required by said Act, but payment for subsistence supplies*
 10 *by such personnel shall be at the same rate as is paid by*
 11 *civilian personnel of the Department of the Army serving in*
 12 *Germany (15):* *Provided further, That when members of*
 13 *the armed forces are employed primarily for the purpose of*
 14 *this appropriation, the mileage and other travel allowances*
 15 *to which they may be entitled shall be paid therefrom*

16 TITLE II—GENERAL PROVISIONS

17 SEC. 201. No part of any appropriation contained in
 18 this Act shall be used to pay the salary or wages of any
 19 person who engages in a strike against the Government of
 20 the United States or who is a member of an organization
 21 of Government employees that asserts the right to strike
 22 against the Government of the United States, or who advo-
 23 cates, or is a member of an organization that advocates, the
 24 overthrow of the Government of the United States by force
 25 or violence: *Provided, That for the purposes hereof an*

1 affidavit shall be considered prima facie evidence that the
2 person making the affidavit has not contrary to the pro-
3 visions of this section engaged in a strike against the Govern-
4 ment of the United States, is not a member of an organiza-
5 tion of Government employees that asserts the right to strike
6 against the Government of the United States, or that such
7 person does not advocate, and is not a member of an or-
8 ganization that advocates, the overthrow of the Government
9 of the United States by force or violence: *Provided further,*
10 That any person who engages in a strike against the Govern-
11 ment of the United States or who is a member of an
12 organization of Government employees that asserts the right
13 to strike against the Government of the United States, or
14 who advocates, or who is a member of an organization that
15 advocates, the overthrow of the Government of the United
16 States by force or violence and accepts employment the
17 salary or wages for which are paid from any appropriation
18 contained in this Act shall be guilty of a felony and, upon
19 conviction, shall be fined not more than \$1,000 or imprisoned
20 for not more than one year, or both: *Provided further,* That
21 the above penalty clause shall be in addition to, and not in
22 substitution for, any other provisions of existing law.

23 (16) SEC. 202. During the fiscal year ending June 30, 1950,
24 the Department of the Army is authorized to operate the
25 Morgantown Ordnance Works at Morgantown, West Vir-

1 *ginia, the Ohio River Ordnance Works at West Henderson,*
 2 *Kentucky, and the San Jacinto Ordnance Works at San*
 3 *Jacinto, Texas, for the production of anhydrous ammonia*
 4 *for the manufacture of nitrogenous fertilizer materials or*
 5 *nitrogenous compounds for its use in the occupied countries*
 6 *and for sale for use in the Republic of South Korea. From*
 7 *the proceeds of materials sold there shall be credited to the*
 8 *appropriation for "Government and relief in occupied areas"*
 9 *an amount equivalent to the cost of production of such*
 10 *materials and any balance to miscellaneous receipts of the*
 11 *Treasury. Section 205 of Public Law 793, Eightieth Con-*
 12 *gress, and any other laws in conflict herewith, are repealed*
 13 *effective June 30, 1949.*

14 SEC. (17)~~202~~ 203. This Act may be cited as the "For-
 15 eign Aid Appropriation Act, 1950".

Passed the House of Representatives May 26, 1949.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments August 8 (legislative day, June 2), 1949.

Attest: LESLIE L. BIFFLE,
Secretary.

81ST CONGRESS
1ST Session

H. R. 4830

AN ACT

Making appropriations for foreign aid for the
fiscal year ending June 30, 1950, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1949

Ordered to be printed with the amendments of the
Senate numbered

as failing to answer to my name. I was present and answered to my name.

I ask unanimous consent that the RECORD and Journal be corrected in both instances.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD in two instances, in each to include an editorial.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Mobile Register.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous matter.

FOREIGN AID BILL

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, this appropriation implements the policy which is drawing the world into an economic and a war crisis.

Mr. McCORMACK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is: Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. GARY. Mr. Speaker, I withdraw the request.

PERMISSION TO ADDRESS THE HOUSE

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

VISIT OF PRESIDENT QUIRINO AND THE PACIFIC PACT

Mr. JUDD. Mr. Speaker, for a long time it has been apparent that in Asia, just as in Europe, the free nations cannot hope to escape Communist conquest unless they make a most vigorous collective attack upon their defense problems—with our active support and assistance. The real significance of the visit of President Quirino—whose presence as our guest and counsellor today is a great honor, indeed—is that such a pact in the Pacific has at last been inaugurated. While our Government theorized and dawdled, three leaders in Asia who face the reality, not the theory of Communist enslavement—President El-

pidio Quirino, of the Philippine Republic, former President Chiang Kai-shek of China, and President Syngman Rhee, of Korea—have moved ahead with decision.

Precious time and ground have already been lost by our delay. But I hope that we are at last sufficiently alerted to the mortal dangers we face in Asia; that we will support with enthusiasm and determination their efforts to develop and extend the Pacific Pact.

If we cannot lead, let us at least follow these three wise men from the east.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. McDONOUGH asked and was given permission to extend his remarks at this point in the RECORD on the subject of admitting Hawaii and Alaska to the Union.

HAWAII AND ALASKA SHOULD BE ADMITTED AS STATES OF THE UNION

Mr. McDONOUGH. Mr. Speaker, two of the most important bills which should pass at this session of Congress are the admission of Hawaii and Alaska as new States of the Union.

Yesterday my colleague, the gentleman from Louisiana [Mr. LARCADE] inserted in the RECORD a poll of the Members of the House showing 3 to 1 in favor of these bills.

We are spending billions of American dollars to protect foreign countries and doing nothing to protect our first line of defense in the south Pacific by admitting Hawaii and in the north Pacific by admitting Alaska as States of the Union.

If Hawaii had been admitted as a State before the paralyzing strike which has held hundreds of thousands of people in Hawaii and the Pacific coast at the will of Harry Bridges, we would have had some jurisdiction, because the Taft-Hartley bill does not give the President any authority in Territory and possessions.

Mr. Speaker, I insist that the approval of these two bills is much more vital and important than many fully realize and that they should be approved before we adjourn this session of Congress.

PREMIUM PAYMENTS IN THE PURCHASE OF GOVERNMENT OIL

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), disagree to the Senate amendment to the House amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ENGLE]. [After a pause.] The Chair hears none and appoints the following conferees: Mr. ENGLE of California, Mr. REGAN, and Mr. BARRETT of Wyoming.

CORRECTION OF THE RECORD

Mr. BROWN of Ohio. On page A-5343 and 5344, there appears in the Appendix of the RECORD a purported poll which shows me voting against Alaskan statehood.

I wish to state that I have never participated in such a poll or cast such a vote.

I ask that the RECORD be corrected accordingly.

The SPEAKER. Without objection, the RECORD will be corrected accordingly.

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield back my time.

REPORT FROM COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DAGUE (at the request of Mr. GRAHAM), for Wednesday to Saturday, inclusive, on account of important public business.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 169]

Arends	Douglas	Mason
Bentsen	Eaton	Morrison
Eland	Fallon	Norton
Bolton, Ohio	Fellows	Patman
Breen	Flood	Patten
Bulwinkle	Garmatz	Pfeifer
Burleson	Gilmer	Joseph, L.
Cavalcante	Gordon	Plumley
Celler	Gregory	Powell
Chatham	Hart	St. George
Chlperfield	Hinshaw	Smith, Ohio
Christopher	Johnson	Staggers
Clevenger	Jonas	Thomas, N. J.
Dague	Kearney	Vinson
Davies, N. Y.	Kennedy	Welch, Calif.
Dingell	McGregor	Wier
Dolliver	McKinnon	Woodhouse

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID BILL

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1241), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution the bill (H. R. 4830) making ap-

appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is, hereby agreed to.

The SPEAKER. The question is, Will the House now consider the resolution?

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 298, noes 4.

So (two-thirds having voted in favor thereof) the House agreed to consider the resolution.

The SPEAKER. The gentleman from Texas [Mr. LYLE] is recognized.

Mr. LYLE. Mr. Speaker, months ago the House passed by an overwhelming majority a bill providing funds for the European recovery program. Recently the Senate acted upon that measure, amending the House bill. It therefore becomes necessary for one of the bodies to recede or for the bill to go to conference.

The members of the Committee on Appropriations of the House recommended that the differences in the bill be considered in conference. That is the purpose of this resolution.

I am sure, Mr. Speaker, that there will be limited opposition. I now yield 30 minutes of my time to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, so far as I know, there is no objection on this side whatsoever to the adoption of this resolution. It merely carries out the orderly procedure.

I understand, however, there is some objection to the bill generally, and I now yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, this appropriation implements the policy which this Congress has adopted, a policy which is devastating to world peace and to the economic well-being of Americans. It seems to me the speed with which it is being imposed upon the country is inordinate and not in the best interests of the American people. That is why I have exercised by right to act, under the rules of the House, in what is obviously a vain effort to slow up the process which is having a disastrous effect on the peace of the world and a most ruinous effect on the economy of Europe and on the economy of the United States.

This Marshall plan has been in exi-

istence for over a year, and despite the promises that were made, we find that the European countries are today being squeezed dry—squeezed as a result of the monopoly economy imposed upon those countries through this so-called Marshall plan.

It is not necessary for me to repeat what is happening in England. Even our press has to report the crisis there. France has become a quasi-economic colony of Wall Street, and Italy has become definitely a colony of this type of exploitation by Wall Street imperialism. As a result Europe today is in an economic quicksand, and the impact of that economic crisis is now beginning to be felt in America; unemployment is gaining in every major city of this country.

This plan has failed. We followed this failure with the Atlantic pact. Now, we follow with arms. Next it will be men. Thus out of this tragic policy we bypass and weaken the United Nations, the last hope for world peace.

When we try to do something here for the average American we witness delay after delay. We permitted the unemployment provisions of the GI bill of rights, known as 52-20, to expire on July 25. You still do nothing to protect the unemployed veteran. But to put over this program of empire and war we get a rule from the Committee on Rules with unprecedented speed; it is brought here, and two-thirds of the Membership support the action, and undoubtedly a majority of the House will pass the resolution.

Let me point out however that though I am in a minority here, a small minority, events have proven that this kind of imperialist war policy, this policy of empire abroad means only reaction at home. You cannot have a policy of empire abroad and at the same time progress at home; a policy of empire negates progress at home. That explains why this Congress which was elected on a program of great promises has been a Congress that has failed to repeal Taft-Hartley, has been a Congress which has turned its back completely on the civil-rights program, has been a Congress which has passed a most inadequate housing bill, doling out housing with an eyedropper. That is why this Congress has passed a spurious rent-control bill which is causing 30, 40, and 50 percent rent increases in every city in this country. That is why this Congress is now considering the minimum-wage law which in return for a mere crumb surrenders millions of workers to the tender mercies of selfish interests. That is why this Congress has appropriated more than 50 percent of our budget for war. That is why this Congress is following the path of retrogression; it is the inexorable outcome of a war policy which is reactionary and dictated by the monopoly interests of this country.

As for me, I shall do everything I can to stop it. I know I will not today succeed in this effort, but I do know that the day is not far off when back in your districts despite the tons of propaganda in the press and over the radio, despite the anti-Communist hysteria by which these appropriations are passed, that despite the fear, the fear which the ad-

vocates of this policy have imposed on the American people from the early morning hours until the night through the controlled press and by the controlled radio, despite the suppression of civil liberties, despite the fact that the Democratic administration is putting over this war program on the American people under the dishonest guise of security and dishonestly selling it as a peace program, your people will refuse to supinely submit to this insane program of war and empire. The impact of the economic crisis that this program has caused in Europe is now being felt every day in the United States and it is causing economic havoc. As a result the burden of this policy of war and empire is falling heavily on your constituents and you will hear from them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, in present conditions it takes a lot of nerve and a lot of intestinal fortitude to get up and speak against the bill when so many Members have made up their minds individually and collectively that they are for giving \$6,500,000,000 to foreign countries.

I want you to know that I am for aiding and assisting people who are starving to death and people who need something to sustain life, but I am not for the program that has been conducted by the ECA in its squandering of billions of dollars that the Congress of the United States influenced by its State Department has been willing to extend to those people. I think it is one of the most extravagant pieces of work that was ever adopted by any country in the entire history of the world. No one ever thought of doing such a thing as we are doing through the State Department and the ECA. The \$6,700,000,000 involved here means \$45 to \$50 for every man, woman, and child in America.

I want to tell you that you are going to have to give an accounting to the American people some day for the way you are squandering money and for putting our country in a very desperate situation. I am not going to be one who will wreck America. But it is going to be wrecked if you follow the program this administration has adopted. You cannot go on with it indefinitely. Any of you who think you can, just give an accounting to your people very shortly because they are going to ask you for it. As for myself, I am not going along with it.

The President came down here and asked you not only for this money but for an additional \$1,500,000,000 to arm certain countries over there. And yet you talk about peace. Why, the gentleman from New York [Mr. MARCANTONIO] is right when he says you are not going to have peace by arming all of the countries of the world. I never heard of any such ridiculous idea so far as trying to get peace is concerned. If you want peace, get it by making friends. But what are you doing? You are arming all of those governments. Do you trust them after you get them armed? I believe that

those arms may be used against the American people, and I am more afraid they will be used against America than against any other country in the world.

What was done about China? Look at the paper that the State Department brought out the other day. It ought to make you tremble, it ought to make you shudder. Two billion dollars have been wasted over there, and the way it has been wasted. They should have known and told you a long time ago, long before you spent the \$50,000,000, the \$80,000,000, the \$150,000,000. No. You were like little boys coming up to the trough. You do what the administration tells you to do. You asked for a report months ago but they refused to give it to you. They sent it up here the other day. It is rotten. Yet you are still willing to give away more money.

If you want to save money, you should get down on your knees and ask God for a little direction here. You are not going to get peace by trying to arm everybody over there. You are going to squander the money of this country until we will not be able to carry on.

Mr. Speaker, I did not get up here to give a lecture. But you are putting out money so fast that in the Capital Building you are shoveling it out of all of the windows. You could not spend it fast enough, so you have men over there taking the top off the Capitol in order to give it away faster until there will not be anything left.

Mr. Speaker, it is a shame that we are doing the things we are doing. You ought to stop, think, look, and listen before we go any further.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I have lived to see something which I had heard about but had never hoped to actually see—the forces for which the gentleman from Pennsylvania [Mr. RICH] speaks and the forces for which the gentleman from New York [Mr. MARCANTONIO] speaks, both spouting the same line in the Halls of the Congress of the United States.

I am appalled that any patriotic American should get up here and tell us that we are being imperialistic through the ECA. I heard that line used by a candidate of the American Labor Party against me only 2½ months ago. I want to assure the Members of this House that the people of America are not falling for that line, because the candidate of the American Labor Party ran a very poor fourth. The people of America are against imperialism in any form but they believe in helping other freedom-loving peoples to remain free.

Yes, there is imperialism in the world today, but it is not American imperialism. It comes from the East. It is a most subtle type of imperialism, using all the Communist tactics of infiltration to permit a vicious minority to dominate and to thwart the will of the majority. I have learned those tactics and I have witnessed those tactics of infiltration in various organizations in this country, and it is an easy thing for me now to recognize those same tactics when they

are applied either in Berlin or Czechoslovakia or China. They are the same; imperialism by infiltration. We have seen that imperialism spread across eastern Europe; we have seen the forfeiture, as the result of that imperialism, of all the freedoms of those people. Where is freedom of speech in Russia today? And, from Russia to Czechoslovakia where is their freedom of worship?

No, my friends, this ECA program is not imperialism; it is not militarism. I quote a simple fact from Pravda about 3 months ago, that the Russian budget calls for an expenditure for their army and their air force and their navy of almost 30 percent of the total Russian budget. And, remember that the Russian budget is equivalent to the total national income. It is not as our budget, limited to Government services. The Russian economy is spending almost 30 percent of their total national income on their militarism.

The small-arms aid, without going into the details of that program, that we are offering to the members of the Atlantic Pact nations, is to help them defend themselves against this very militarism in the East. Let us place the responsibility for world tension where it belongs. Let us cut aside all the beautiful red tape that they are trying to throw around these very simple and very humane programs. Let us in America realize and let us proclaim to the world, in contradiction to the gentleman from New York [Mr. MARCANTONIO], that the purpose behind the United States policy of helping those people in the world who want to help themselves to remain free from Communist imperialism, is a most friendly and unselfish purpose; the most humane that any country has ever held out to sister nations in the history of the world.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN of Michigan addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. CANNON. Mr. Speaker, I offer a motion which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H. R. 4830 be instructed to insist upon disagreement to Senate amendment No. 1.

Mr. CANNON. Mr. Speaker, this amendment is an attempt to reinstate

the old watchdog committee which was abrogated in the legislative appropriation bill last month.

I offer this motion for two reasons: In the first place, because the Congress has already decisively passed upon it and emphatically rejected it, and second, because it will save \$344,000 which would otherwise be wasted and will expedite the passage of this bill.

The Senate amendment is practically identical with the amendment offered by the gentleman from Ohio [Mr. VORYS] in the consideration of the legislative appropriation bill on June 9. The only difference is that the gentleman from Ohio [Mr. VORYS] on that occasion asked for \$244,000 whereas the Senate now requests \$344,000—\$100,000 more—which makes it all the more objectionable.

When offered in the House on June 9, the amendment was rejected by a 3 to 1 vote. The Senate accepted the judgment of the House and all provision for the so-called watchdog committee was eliminated.

We had every reason to suppose the issue was definitely disposed of. It is res judicata. And the managers on the part of the House should not be required to churn over all this obsolete material again in conference or on the floor. It should be disposed of once and for all without being sent again to conference.

Suffice to say that the committee has thoroughly studied the subject and we can say authoritatively that the watchdog committee has never saved a single dime that would not have been saved had the committee never been in existence. Every dollar spent by the watchdog committee, and on the watchdog committee, has been thrown away. And in times like these, in which expenditures are running from one and a half billion to two billion dollars behind revenues, we cannot afford even this mild extravagance.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill involves approximately \$5,000,000,000.

Amendment No. 1 adds \$344,000 for the so-called "watchdog committee."

Amendment No. 3 increases the amount appropriated for the ECA by \$59,910,000.

Amendment No. 4 reduces the amount that may be spent for confidential expenditures from \$500,000 to \$200,000.

Amendment No. 5 provides that \$25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act. I cannot tell you what that is. I will have to check it.

Amendment No. 6 wipes out the authority of the President to spend all the money by the 15th of May.

Amendment No. 7 provides for the loaning by the Export-Import Bank of \$150,000,000.

Amendment No. 8 relates to the local currencies that come to our control as the result of the sending of these things over there.

Amendment No. 9 reduces the amount for Greece and Turkey from \$50,000,000 to \$45,000,000.

Amendment No. 10 provides \$4,000,000 for the Chinese students in this country.

Amendment No. 11 reduces the amount of funds for the Army in occupied territory from \$925,000,000 to \$900,000,000 and reduces the administrative expenses.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Am I correct in the assumption that the matter that is now pending before the House is a motion on the part of the chairman of the Committee on Appropriations that the conferees be instructed to resist the Senate amendment which provides funds for the continuation of the "watchdog committee" that is set up to watch the expenditure of funds under ECA?

Mr. TABER. That is right. It is the only chance the Congress has to know what is going on in this operation.

Mr. KEEFE. The question we will be called upon to vote on in just a moment is whether or not we want to continue the operations of the "watchdog committee," which has been created by an amendment introduced by the other body and for which funds were provided. Is that not the situation?

Mr. TABER. Yes; that is the situation.

Mr. KEEFE. I wish the gentleman would advise the House of the necessity for continuing the "watchdog committee."

Mr. TABER. I wanted the House to have a picture of the \$5,000,000,000 which needs to be watched, and the expenditure of which is so very important to be done properly and effectively.

The "watchdog committee" has done very considerable, effective work, especially in connection with the preservation of those plants in Germany which were so badly needed to restore the economy of Germany so that we could get to the point where some day we might be able to have these people self-supporting so that we could get out of Germany.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SHORT. When this bill passed the House, much as I have disagreed with certain member of the Committee on Foreign Affairs, I thought they were dead right in insisting on having this "watchdog committee," because the amount of money necessary to conduct the work of the "watchdog committee" is an infinitesimal part of the billions of dollars that have to be expended. I hope the House will agree with the Senate conferees.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. CANNON. Mr. Speaker, I yield two additional minutes to the gentleman.

Mr. KEEFE. Will the gentleman please advise the House as to how they should vote on this matter in the event that the Members want to vote to keep this watch-dog committee?

Mr. TABER. Members should vote "no" if they want to have any control by the Congress over this operation, or if they want to have any reports on this operation.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARCANTONIO. The gentleman from New York [Mr. ROOSEVELT] saw fit to point out that the gentleman from Pennsylvania and I spoke against the resolution which was just adopted. However, the gentleman from New York failed to point out that he joined with the gentleman from Mississippi [Mr. RANKIN] and other enemies of civil rights in voting against my antidiscrimination amendment to the housing bill.

Mr. TABER. Mr. Speaker, I hope the House will refuse to instruct its conferees to disagree with the amendment of the Senate. It may be that they have asked for too much money, but they should vote "no" on this motion.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. SHORT. Does not the gentleman feel that we should have a "watchdog committee" which calls for the expenditure of an infinitesimal part of the total amount to be expended under this program?

Mr. WIGGLESWORTH. I will say to the gentleman, Mr. Speaker, that in my opinion there could be no better example of false economy than to wipe out this "watchdog committee" at this time.

Mr. SHORT. I thank the gentleman.

Mr. WIGGLESWORTH. Mr. Speaker, we all know that the ECA has a tremendous program, calling for the expenditure of billions of dollars. It operates in 16 separate nations and the closest possible supervision, in my judgment, is highly desirable.

I hold in my hand, Mr. Speaker, a summary of the work that the "watchdog committee" staff has done. It is 8 or 9 pages of single-space typewriting. It shows, among other things, activities leading to the recovery of several million dollars in several instances, the recovery far exceeding the \$262,000 which was appropriated for the staff to function with.

I also have samples here, Mr. Speaker, of studies made by the "watchdog committee." Here is one entitled "Report on Progress of the Economic Cooperation Administration." It is 152 pages long. It is filled with statistics and table of all kinds, invaluable to anyone wishing to keep abreast of the ECA problem.

Here is another study. It is 56 pages long, and is entitled "ECA and Strategic Materials."

Here is a 29-page study entitled "Shipping Problems in the ECA Program."

Here is another study entitled "Marine Insurance in the ECA Program."

Here is another entitled "Wool Procurement by ECA."

And another entitled, "The Food Situation in Europe in the Fall of 1948."

And another entitled "German Reparations."

Mr. Speaker, these are samples of the studies and reports which the "watchdog committee" has made since its creation.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. These unbonded representatives of this country, as I understand it, are spending in 16 nations more than \$5,000,000,000. How much do we propose to spend in seeing that they properly expend this money?

Mr. WIGGLESWORTH. We provided \$262,000 for the past fiscal year, and the request here is for \$344,000.

Mr. JENNINGS. In other words, that \$344,000, or about seven one-thousandths of 1 percent of \$5,000,000,000, is all we propose to spend to safeguard and to undertake to guarantee the honest and faithful expenditure of that huge sum?

Mr. WIGGLESWORTH. And committee activities have already saved several million dollars or several times the amount of money appropriated for them to operate on.

I think this motion should be defeated. I think the bill should be allowed to go to conference and let the amount to be made available for this purpose be worked out in conference.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield further?

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. That is seven one-thousandths of 1 percent that we are going to expend to watch the expenditure of that unprecedented sum, is it not?

Mr. WIGGLESWORTH. I think the gentleman is correct.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Illinois.

Mr. YATES. I wish the gentleman from Massachusetts would tell the House just what the witnesses for the watchdog committee told the ECA Appropriations Committee when they appeared as witnesses before the committee. Was the gentleman impressed particularly with the testimony given to us?

Mr. WIGGLESWORTH. I have been impressed by the studies they have made, which I have tried to call attention to in the course of the brief time at my disposal.

Mr. YATES. Will not the gentleman agree that there was no testimony of any value whatsoever offered by these witnesses to the committee?

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. I rise to express the hope that sometime before we are through with this bill an adequate opportunity may be provided to find out what is in it and to discuss it. We have discussed this afternoon whether the gentleman from New York agrees with the gentleman from Pennsylvania, but only two people have discussed what is in this bill.

Mr. WIGGLESWORTH. The conference report will, of course, be considered subsequently. I hope the House will vote "no" on the pending motion.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Massachusetts has expired.

Mr. FULTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON. I yield.

Mr. FULTON. I have asked in regard to time on this particular motion and find that there is only time for those for the motion. No one has time against it. Both the gentleman from California [Mr. PHILLIPS] and I would like to know who has the time against it.

The SPEAKER pro tempore. The Chair will answer the gentleman's parliamentary inquiry.

The gentleman from Missouri [Mr. CANNON] is entitled to 1 hour on his motion, and he may yield time as he so desires.

Mr. FULTON. Who is in charge of the time against the motion?

Mr. CANNON. No one has been heard so far except those opposed to the amendment.

Mr. FULTON. I was told by the gentleman there was no time.

The SPEAKER. The gentleman from Ohio, [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Speaker, the "watchdog committee" is a committee established not by House resolution but by law. When that law was reviewed and extended there was not even an attempt to change the "watchdog committee." What is being attempted here is to repeal a law by denying funds to a committee which must have funds to do its work, work which is enjoined upon it by law. I urge the House to vote "no" on this proposal. I happen to be a member of this much-abused "watchdog committee." It attempts to do its work without publicity and fanfare. Perhaps that is a mistake. It makes its criticism to the ECA officials in a quiet way in the hope of establishing better procedure; it furnishes reports to four committees, the Foreign Affairs Committee of the House, the Foreign Relations Committee of the Senate, and the two Appropriations Committees of the Congress.

The gentleman stated that the subcommittee felt that the reports were of no value. Let me remind the House that the full Committee on Appropriations of this House did not choose to follow its subcommittee but made cuts in the ECA appropriations far below those which were recommended by the administration and the subcommittee.

We have this curious situation, where this bipartisan committee set up with a bipartisan vote in an effort that was a bipartisan effort and is being continued that way, yet the attempt to destroy it is coming purely as a partisan effort. We have the Democratic leadership here on the Committee on Appropriations opposing it. Over in another body the Democratic floor leader led the fight to attempt to emasculate and destroy this committee so there would be no independent body looking in upon this vast expenditure of funds; and that partisan attempt was mowed down in the other body by bipartisan votes. I hope this is not the end of the bipartisan approach to our vast and increasing foreign problem; I hope this is not the start of the things that we are to see from now on. I hope that this committee will not have its usefulness destroyed and be unable to do anything because of Democratic

votes. You have the votes to do this. It would be a bad thing to go out to this country at a time when some of us are striving so hard to attempt to reach some sort of united, bipartisan agreement on some of the dreadful problems that face us, that this committee spending an infinitesimal amount of money, the only independent agency to report to the Congress, was destroyed by a partisan attempt here this afternoon.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. PHILLIPS of California. I am trying to get information about two points in the bill. Can the gentleman tell me whether item No. A in the bill has any relationship to the Revaluation Conference to be held in Washington in September which I think will have a very far-reaching effect upon the money of the United States?

Mr. TABER. If the gentleman will yield to me I can answer that it does not.

Mr. VORYS. The only thing before us right now is this one question of destroying by partisan effort this bipartisan creation to investigate and report to the Congress on the Marshall plan. I beg you to vote "no."

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SHORT. I want to thank the gentleman for the statement he has made.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, this is like all other efforts to obtain economy. Here we have a committee appointed by the last Congress which spent \$262,000 last year. Of course, that is small money compared with a great many appropriations we make. But they come back this year asking for \$344,000. For what? As a "watchdog committee" to watch one of the most efficient administrations in the entire Government.

Something has been said about a non-partisan approach to this matter. Let me remind you that the head of the ECA is a Republican, but I still think he is one of the most able Administrators in this Nation. I certainly do not think he needs any "watchdog committee" to tell him what he should do; therefore, I do not think that the Congress of the United States should spend \$344,000 to provide such a committee.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Missouri.

Mr. SHORT. Does the gentleman feel that this small, infinitesimal amount to guard the expenditure of some \$5,500,000,000 is unreasonable?

Mr. GARY. Does the gentleman think we ought to have a "watchdog committee" to watch over the expenditures of the armed services which spend \$18,000,000,000 annually?

Mr. SHORT. Absolutely.

Mr. GARY. Does the gentleman feel we should have a "watchdog committee"

for each department of the Government spending billions of dollars?

Mr. SHORT. Absolutely.

Mr. GARY. I may say to the gentleman I do not agree with him.

Mr. SHORT. Well, I have expressed my opinion.

Mr. GARY. If we do not have capable and honest Administrators, then we ought to get rid of them rather than watch them.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If we follow the reasoning of the gentleman from Missouri, we might just as well abolish the executive branch of the Government.

Mr. GARY. Exactly, and turn the administration of the Government over to the Congress of the United States.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact the Congress long ago when it set up an agency responsible to the Congress under the Budget and Accounting Act set up a watchdog administration to watch all departments of Government and provided that the Comptroller General should be there for but a single term of 15 years as the representative of the Congress of the United States; so that all agencies of Government are under the supervision and surveillance of the Comptroller General of the United States.

Mr. GARY. So is the ECA. Therefore, why have another watchdog committee for it?

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that under the Congressional Reorganization Act every legislative committee is responsible to watch the agencies for which it authorizes the expenditure of money?

Mr. GARY. That is correct.

Mr. Speaker, in the ECA we have one of the most efficient administrations in the Government. They have some of the best technically trained men, and I say to you that we asked the representatives of the "watchdog committee" to appear before us when we considered these appropriations and we got no information worthwhile from the "watchdog committee." Whereas, the staff of the ECA furnished all of the information that we wanted. They had it at hand at all times and showed far greater familiarity with the foreign situation than did the watchdog committee. I ask you, why appropriate \$344,000 to check on men who are better prepared to do this job than the men who are doing the checking?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, as a member of the Committee on Foreign Affairs, may I respectfully disagree with my good friend and colleague the gen-

tleman from Ohio [Mr. VORYS] that this is a partisan matter. It is not a partisan matter. And I, too, have been a member of the watchdog committee, so-called.

I am against the continuation of this extra committee because I think that it is an unnecessary expense. In the first place, under the Reorganization Act, full and complete powers are given to the legislative committees.

I would like to ask my good friend the gentleman from New York [Mr. TABER] what is wrong with the Committee on Appropriations? Are they not "watchdogging" the Treasury? It will be a sudden and a bad shock to me if I find that my good friend JOHN is not watching. I have thought the Appropriations Committee were doing a fine close job of checking expenditures.

Mr. TABER. You cannot watch an operation like that with the force that the Committee on Appropriations has.

Mr. FULTON. Then, instead of bypassing the Appropriations Committee, I would very much like to implement the Committee on Appropriations of the House to make it effective, because yours is a statement that your Committee on Appropriations is being hamstrung by a lack of sufficient personnel.

One of the basic troubles of the so-called "watchdog committee" is this: It is a committee adrift. It is not under the Committee on Foreign Affairs; it is not under the Committee on Foreign Relations of the Senate. It is not under the Committee on Appropriations of the House nor under the Committee on Appropriations of the Senate.

How many Members of Congress here have read any one of those reports which have been mentioned? I keep up with most of the reports coming to our committee. I have not read all of the reports, but in one of those reports of the watchdog committee which I read, I found that there was a list of committees handling our foreign relations headed by the so-called watchdog committee, then there was the Committee on Foreign Relations of the Senate listed second in order, then the Committee on Foreign Affairs of the House was listed third, and I do not know where the "watchdog committee" put the Committee on Appropriations of either House. They evidently are so far down the line that such important committees evidently do not count much in the set-up.

Why, without anything more, should we increase the appropriation of this committee 50 percent? There has been no justification submitted for added staff. Some time ago I saw that we were not able to keep the staff from going into places that they should not go. For example, they had once been in touch with the ECA staff, saying to them, "Don't you do that" and "Don't you do this." Now, that is directly interfering with the ECA Administration staff. I do not think that that is part of the duty of a watchdog committee.

If the reorganization statute has set up an efficient committee organization, what is there so valuable with this committee as was pointed out here, that you need this for ECA but you do not need it

for the armed services? I believe that unless you amply staff your Committee on Appropriations of this House you will have to put up separate little committees that will undercut part of their jurisdiction every time we pass a major bill. I hope that the Committee on Appropriations members will stand up here and say it is one of the best committees in the House and assure this House that we can depend on them.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman tell us whether he believes that this committee is necessary to preserve that bipartisanship in foreign policy so eloquently advocated here this afternoon as against the opponents of ECA on the extreme left and the extreme right.

Mr. FULTON. The bipartisan foreign policy can certainly exist. The Committee on Foreign Affairs and the Committee on Foreign Relations are the legislative committees on foreign affairs, having the duty to implement the bipartisan foreign policy. The Committees on Appropriations have Democrats and Republicans upon them to check these various appropriations, under this bipartisan foreign policy. May I say to you that the Committee on Appropriations, with its great history, should not be the first one to come in here through its senior members and advocate we cut out part of its jurisdiction and put this jurisdiction in an orphan committee that is not even set up under the Reorganization Act.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The gentleman has referred to the desirability of a staff for the Committee on Appropriations. I just want to refresh the gentleman's recollection to the fact that we did set up a very efficient staff for the committee in the last 2 years, and that it was completely abolished in the present session of the Congress.

Mr. FULTON. Well, the problem, then, is this: To keep in our established House committees the powers and the duties and the responsibilities. If we do not, there will be bypassing of our legislative committee here one after the other. It is shocking to hear that the efficient nonpartisan staff of the Appropriations Committee has been abolished by the Eighty-first Congress, and I thank the gentleman from Massachusetts for his comment.

There is no reason for a supercommittee that is a so-called "watchdog committee," when, as has been adequately pointed by the gentleman from Wisconsin, Congress has its own agency set up, the Comptroller General of the United States, who is to "watchdog" this and all other things. If Congress goes ahead indefinitely and adds a hodgepodge of committees, a so-called "watchdog" for this and a "watchdog" for that, with no responsibility to anyone, we are arriving at intellectual and legislative chaos in House procedure.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Speaker, early this year the Legislative Appropriations Committee conducted hearings on this matter for quite a long time. I was chairman of that committee. We reported the bill out without providing appropriations for the "watchdog committee." I thought we were correct then. We submitted our bill to the full Committee on Appropriations and, after extensive consideration, the full committee approved the bill. We came to the House, where an amendment was offered to restore the money for the "watchdog committee" and, after extensive argument, the amendment was defeated by a vote of 117 to 43. Our bill went to the other body and provision for the "watchdog committee" was not included in the legislative appropriation bill over there. That is where it ought to be if we are going to continue the committee.

The work of the joint committee has been finished. It was set up to see that the Economic Cooperation Administration was properly organized, efficient administrative procedures were adopted, and the announced policies of Congress reflected in the administrative policies and plans of the Administration.

We have the program in the charge of good men and they are doing an able job. No one now raises any question as to the management of the Economic Cooperation Administration. The work of this committee has been done. To continue it would be an utter waste. If you want to save a little money, this is one place where it can be done.

Mr. Speaker, I believe this House means what it said when it rejected by an overwhelming vote the amendment to the legislative appropriation bill. The Senate meant it when it did not amend the bill to include it. We do not need the "watchdog committee" further, because the bipartisan foreign policy certainly is operating, and we have the Appropriations Committees of the House and Senate, and we have the Foreign Policies Committees of the House and Senate, also, to "watchdog" what happens. It might be that we would need another "watchdog committee" to watch the "watchdog committee," and then after a while we would need another "watchdog committee" to watch the "watchdog committee" to watch the "watchdog committee," and on you go.

I think we ought to instruct our conferees, Mr. Speaker, to stand where we have stood all this year, to end it and let the Administrator of the Economic Cooperation Administration, Mr. Hoffman, who is a good Republican—and I am glad he is in charge of it—operate as he ought to in the manner of which he is capable. He should not be subjected to the constant interference which must characterize the operations of a joint committee conceived and established for a purpose which no longer exists. I think we ought to instruct our conferees to insist on disagreement to this amendment.

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 145, noes 127.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 210, nays 164, answered "present" 2, not voting 56, as follows:

[Roll No. 170]

YEAS—210

Abbott	Furcolo	Moulder
Abernethy	Gary	Multer
Addonizio	Gore	Murdock
Albert	Gorski, Ill.	Murphy
Andrews	Gorski, N. Y.	Noland
Aspinall	Granahan	Norrell
Bailey	Granger	O'Brien, Ill.
Barden	Grant	O'Brien, Mich.
Barling	Green	O'Hara, Ill.
Barrett, Pa.	Hardy	O'Neill
Bates, Ky.	Hare	O'Sullivan
Battle	Harris	O'Toole
Beckworth	Harrison	Passman
Bennett, Fla.	Havener	Perkins
Bentsen	Hays, Ark.	Peterson
Biemiller	Hays, Ohio	Philbin
Blatnik	Hébert	Pickett
Boggs, La.	Hedrick	Poage
Bolling	Heffernan	Polk
Bonner	Heller	Preston
Bosone	Herlong	Price
Boykin	Hobbs	Priest
Brooks	Hollfield	Quinn
Brown, Ga.	Howell	Rabaut
Bryson	Huber	Rains
Buchanan	Irving	Ramsay
Buckley, Ill.	Jackson, Wash.	Redden
Buckley, N. Y.	Jacobs	Rhodes
Burke	Jones, Ala.	Ribicoff
Burnside	Jones, Mo.	Rodino
Burton	Jones, N. C.	Rogers, Fla.
Byrne, N. Y.	Karst	Rooney
Camp	Karsten	Roosevelt
Cannon	Kearns	Sasser
Carlyle	Kelley	Sikes
Carnahan	Keogh	Sims
Carroll	Kerr	Smathers
Celler	Kilday	Spence
Chelf	King	Stanley
Chesney	Kirwan	Steed
Chudoff	Klein	Stigler
Clemente	Kruse	Sullivan
Combs	Lane	Sutton
Cooley	Lanham	Tackett
Cooper	Larcade	Tauriello
Crook	Lind	Teague
Crosser	Llnehan	Thomas, Tex.
Davenport	Lucas	Thompson
Davis, Tenn.	Lyle	Thornberry
Dawson	Lynch	Trimble
Deane	McCarthy	Underwood
DeGraffenried	McCormack	Wagner
Delaney	McGrath	Walsh
Denton	McGuire	Walter
Dollinger	McMillan, S. C.	Welch, Mo.
Donohue	McSweeney	Wheeler
Doughton	Mack, Ill.	Whitaker
Douglas	Madden	Whitten
Doyle	Magee	Whittington
Eberharter	Mahon	Wickersham
Elliott	Mansfield	Wier
Engle, Calif.	Marsalls	Willis
Evins	Marshall	Wilson, Okla.
Feighan	Miles	Wilson, Tex.
Fernandez	Miller, Calif.	Winstead
Flood	Mills	Wood
Fogarty	Mitchell	Worley
Forand	Monroney	Yates
Frazier	Morgan	Young
Fulton	Morris	Zablocki

NAYS—164

Allen, Calif.	Bennett, Mich.	Chipperfield
Allen, Ill.	Blshop	Church
Andersen,	Blackney	Cole, Kans.
H. Carl	Boggs, Del.	Cole, N. Y.
Anderson, Calif.	Bramblett	Colmer
Andresen,	Brehm	Corbett
August H.	Brown, Ohio	Cotton
Angell	Burdick	Coudert
Auchincloss	Byrnes, Wis.	Cox
Barrett, Wyo.	Canfield	Crawford
Bates, Mass.	Case, N. J.	Cunningham
Beall	Case, S. Dak.	Curtis

Davis, Ga.	Johnson	Reed, Ill.
Davis, Wis.	Judd	Reed, N. Y.
D'Ewart	Kean	Rees
Dondero	Kearney	Richards
Durham	Keating	Riehlman
Ellsworth	Kee	Rivers
Elston	Keefe	Rogers, Mass.
Engel, Mich.	Kilburn	Sadlak
Fenton	Kunkel	Sadowski
Fisher	Latham	Sanborn
Ford	LeCompte	Scott, Hardle
Gamble	LeFevre	Scott,
Gathings	Lichtenwalter	Hugh D., Jr.
Gavin	Lodge	Scrivner
Gillette	Lovre	Scudder
Golden	McConnell	Secrest
Goodwin	McCulloch	Shafer
Gossett	McDonough	Short
Graham	McMillen, Ill.	Simpson, Ill.
Gross	Mack, Wash.	Simpson, Pa.
Gwinn	Macy	Smith, Kans.
Hagen	Marcantonio	Smith, Wis.
Hale	Martin, Iowa	Stefan
Hall,	Martin, Mass.	Stockman
Edwin Arthur	Morrow	Taber
Halleck	Meyer	Talle
Harden	Michener	Taylor
Harvey	Miller, Md.	Towe
Herter	Miller, Nebr.	Van Zandt
Heseltun	Morton	Velde
Hill	Murray, Tenn.	Vorys
Hoeven	Murray, Wis.	Vursell
Hoffman, Ill.	Nelson	Wadsworth
Hoffman, Mich.	Nicholson	Welch
Holmes	Nixon	Werdel
Hope	O'Hara, Minn.	White, Idaho
Horan	O'Konski	Wigglesworth
Hull	Patterson	Williams
Jackson, Calif.	Pfeiffer,	Willson, Ind.
James	William L.	Withrow
Javits	Phillips, Calif.	Wolcott
Jenison	Phillips, Tenn.	Wolverton
Jenkins	Potter	Woodruff
Jennings	Poulson	
Jensen	Rankin	

ANSWERED "PRESENT"—2

Allen, La. Hand

NOT VOTING—56

Arends	Gilmer	Pfeifer,
Bland	Gordon	Joseph L.
Bolton, Md.	Gregory	Plumley
Bolton, Ohio	Hall,	Powell
Breen	Leonard W.	Regan
Bulwinkle	Hart	Rich
Burleson	Hinshaw	Sabath
Cavalcante	Jonas	St. George
Chatham	Kennedy	Sheppard
Christopher	Lemke	Smith, Ohio
Clevenger	Lesinski	Smith, Va.
Dague	McGregor	Staggers
Davis, N. Y.	McKinnon	Thomas, N. J.
Dingell	Mason	Tollefson
Dolliver	Morrison	Vinson
Eaton	Norblad	Welch, Calif.
Fallon	Norton	White, Calif.
Fellows	Pace	Woodhouse
Fugate	Patman	
Garmatz	Patten	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mrs. Norton for, with Mr. White of California against.

Mr. Gilmer for, with Mr. Plumley against.

Mr. Joseph L. Pfeifer for, with Mr. Dolliver against.

Mr. Gordon for, with Mr. Jonas against.

Mr. Burleson for, with Mr. Mason against.

Mr. Patman for, with Mr. Hinshaw against.

Mr. Garmatz for, with Mr. Arends against.

Mr. Gregory for, with Mr. Leonard W. Hall against.

Mr. Patten for, with Mr. Dague against.

Mr. Morrison for, with Mr. Fellows against.

Mr. Hart for, with Mr. Eaton against.

Until further notice:

Mrs. Woodhouse with Mrs. Bolton of Ohio.

Mr. Breen with Mr. McGregor.

Mr. Cavalcante with Mr. Lemke.

Mr. Staggers with Mr. Rich.

Mr. Pace with Mrs. St. George.

Mr. Vinson with Mr. Tollefson.

Mr. McKinnon with Mr. Smith of Ohio.

Mr. Kennedy with Mr. Welch of California.
Mr. Fallon with Mr. Norblad.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair appoints the following conferees: Messrs. GARY, McGRATH, YATES, CANNON, TABER, and WIGGLESWORTH.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH, Mr. LANE, and Mr. MURRAY of Wisconsin asked and were given permission to extend their remarks in the RECORD.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include his own questionnaire.

Mr. MARCANTONIO asked and was given permission to revise and extend his remarks.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in two instances and include certain extracts.

Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and include in each extraneous matter.

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article from the Klamath Falls News-Herald.

Mr. CANNON asked and was given permission to revise and extend his remarks and include certain excerpts from the CONGRESSIONAL RECORD.

SPECIAL ORDER GRANTED

Mr. WILLIAMS asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3751. An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 10, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

842. A letter from the Archivist of the United States, transmitting a report showing records proposed for disposal, and lists or

schedules, or parts of lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

843. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

844. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a preliminary examination and survey of Port Bay, N. Y., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 293); to the Committee on Public Works and ordered to be printed, with an illustration.

845. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on the Chicago River, Ill., with a view to improving the channel in the north branch between Addison Street and the lock at Wilmette, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 28, 1945 (H. Doc. No. 294); to the Committee on Public Works and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILES: Committee on Public Lands. H. R. 4942. A bill to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes; without amendment (Rept. No. 1238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5670. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; without amendment (Rept. No. 1239). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 320. Resolution providing for the taking from the Speaker's table of the bill, H. R. 4830, to the end that the Senate amendments be and are hereby disagreed to and that the conference requested by the Senate is hereby agreed to; without amendment (Rept. No. 1241). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old); with an amendment (Rept. No. 1216). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 555. An act for the relief of Eiko Nakamura; without amendment (Rept. No. 1217). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 787. An act for the relief of William

(Vasillos) Kotsakis; without amendment (Rept. No. 1218). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski; without amendment (Rept. No. 1219). Referred to Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 715. A bill for the relief of Manuel Uribe; with an amendment (Rept. No. 1220). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5149. A bill for the relief of Fernando Aboitiz; with an amendment (Rept. No. 1221). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5375. A bill for the relief of Mrs. Hilda De Silva; without amendment (Rept. No. 1222). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5539. A bill for the relief of Mrs. Claudia Weitlanner; without amendment (Rept. No. 1223). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5851. A bill for the relief of Mrs. Toshiko Keyser; without amendment (Rept. No. 1224). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 587. A bill for the relief of Dick Walook and Alfred L. Woods; with an amendment (Rept. No. 1225). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1024. A bill for the relief of Jacob Brown; with an amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1106. A bill for the relief of King V. Clark; with an amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2075. A bill for the relief of Frank G. Moore; without amendment (Rept. No. 1228). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2266. A bill for the relief of Morris Tutnauer; with an amendment (Rept. No. 1229). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3769. A bill for the relief of Doris M. Faulkner; with an amendment (Rept. No. 1230). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3810. A bill for the relief of Cecil E. Gordon; without amendment (Rept. No. 1231). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4556. A bill for the relief of the estate of Elmo Sodergren; without amendment (Rept. No. 1232). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 5353. A bill for the relief of Max Schleder; without amendment (Rept. No. 1233). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4165. A bill for the relief of Katherine H. Clagett; without amendment (Rept. No. 1234). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 3804. A bill for the relief of Fred B. Niswonger; without amendment (Rept. No. 1235). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3405. A bill for the

relief of Vivian Newell Price; with an amendment (Rept. No. 1236). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2758. A bill for the relief of the Fisher Brewing Co.; without amendment (Rept. No. 1237). Referred to the Committee of the Whole House.

Mr. BRYSON: Committee on the Judiciary. H. R. 5319. A bill granting a renewal of patent No. 40,029, relating to the badge of The Holy Name Society; with an amendment (Rept. No. 1240). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 or rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLEMENTE:

H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

By Mr. KARSTEN:

H. R. 5930. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURRAY of Tennessee:

H. R. 5931. A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RANKIN:

H. R. 5932. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended, to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. R. 5933. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 5934. A bill to amend the "Second Supplemental National Defense Appropriation Act, 1943," approved October 26, 1942 (56 Stat. 990, 999), and for other purposes; to the Committee on Public Works.

By Mr. BAILEY:

H. R. 5935. A bill to authorize the Administrator of Veterans' Affairs to sell or lease oil and gas rights in the subsurface of the land on which is situated the Veterans' Administration facility at Clarksburg, W. Va.; to the Committee on Veterans' Affairs.

By Mr. MILES:

H. R. 5936. A bill authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians; to the Committee on Public Lands.

By Mr. RANKIN:

H. R. 5937. A bill to provide for the construction of a Veterans' Administration Hospital at Tupelo, Miss.; to the Committee on Veterans' Affairs.

H. R. 5938. A bill to provide for the construction of a Veterans' Administration Hos-

S. 2559. An act to authorize the extension of officers' retirement benefits to certain persons who while serving as enlisted men in the Army of the United States during World War II were given battlefield promotions to officer grade and were incapacitated for active service as a result of enemy action;

S. 2584. An act to provide for studies of methods of determining the amount, distribution, and effects of illness in the United States and for conducting periodic inventories of illness by the best methods developed through such studies;

S. 2590. An act to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins;

S. 2591. An act to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases, and for other purposes;

S. J. Res. 105. Joint resolution to provide unrestricted entry privileges for Sister Elizabeth Kenny;

S. Con. Res. 18. Concurrent resolution providing for the consolidation of the general appropriation bills, and for other purposes; and

S. Con. Res. 65. Concurrent resolution favoring the suspension of deportation of certain aliens.

SWEARING IN OF A MEMBER

The SPEAKER. The Chair lays before the House a communication from the Clerk of the House.

The Clerk read as follows:

SEPTEMBER 28, 1949.

The Honorable the SPEAKER,

House of Representatives.

SIR: A certificate of election in due form of law showing the election of the Honorable JOHN P. SAYLOR, as a Representative-elect to the Eighty-first Congress from the Twenty-sixth Congressional District of the State of Pennsylvania, to fill the vacancy caused by the death of the Honorable Robert L. Coffey, is on file in this office.

Very truly yours,

RALPH R. ROBERTS,

Clerk of the House of Representatives.

Mr. SAYLOR appeared at the bar of the House and took the oath of office.

FOREIGN-AID APPROPRIATION

Mr. GARY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1354)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 15.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, 9, 13 and 17, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amend-

ment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$350,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47)"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$912,500,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$912,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 7, 8, 10, 14, and 16.

J. VAUGHAN GARY,
CHRISTOPHER C. MCGRATH,
SIDNEY R. YATES,
CLARENCE CANNON,
JOHN TABER (except as to
Nos. 3 and 7),
R. B. WIGGLESWORTH,

Managers on the Part of the House.

KENNETH MCKELLAR,
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ELMER THOMAS,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
HOMER FERGUSON,
KENNETH S. WHERRY,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4830) making appropriations for Foreign Aid for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Strikes out provision of the House making available \$125,000 for expenditures of a confidential character during the fourth quarter of the fiscal year 1949, as proposed by the Senate.

Amendment No. 3: Appropriates \$3,623,380,000 as proposed by the Senate instead of \$3,568,470,000 as proposed by the House.

Amendment No. 4: Appropriates \$350,000 for expenditures of a confidential nature for the fiscal year 1950 instead of \$500,000 as proposed by the House and \$200,000 as proposed by the Senate.

Amendment No. 5: Includes a modified provision of the Senate making available the amount of \$25,000 for carrying out the provisions of Section 115 (f) of the Economic Cooperation Act of 1948, as amended. The modification is included to make the provision permissive rather than mandatory.

Amendment No. 6: Eliminates provision of the House permitting the obligation and expenditure of the appropriation for the Economic Cooperation Administration during the period July 1, 1949, to May 15, 1950, as proposed by the Senate.

Amendment No. 7: Reported in disagreement.

Amendment No. 8: Reported in disagreement.

Amendment No. 9, relating to assistance to Greece and Turkey: Appropriates \$45,000,000 as proposed by the Senate instead of \$50,000,000 as proposed by the House.

Amendment No. 10: Reported in disagreement.

Amendment No. 11, relating to Government and Relief in Occupied Areas, administered by the Department of the Army: Appropriates \$912,500,000 instead of \$925,000,000 as proposed by the House and \$900,000,000 as proposed by the Senate.

Amendment No. 12: Establishes a limitation of \$42,500,000 for administrative expenses for Government and Relief in Occupied Areas instead of \$45,000,000 as proposed by the House and \$40,000,000 as proposed by the Senate.

Amendment No. 13: Eliminates a provision of the House for Government and Relief in Occupied Areas permitting the employment of individuals without regard to certain existing laws, as proposed by the Senate.

Amendment No. 14: Reported in disagreement.

Amendment No. 15: Eliminates provision of the Senate stipulating that when travel for purposes of Government and Relief in Occupied Areas is performed by members of the armed forces such travel expenses shall be paid out of the appropriation for that purpose, as proposed by the House.

Amendment No. 16: Reported in disagreement.

Amendment No. 17: Corrects section number.

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Managers on the Part of the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House of 1 minute.

The SPEAKER. Is there objection? There was no objection.

LEGISLATIVE PROGRAM FOR BALANCE OF THE WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to ascertain the program for today and for the balance of the week.

Mr. MCCORMACK. The first order of business today will be the conference report on the military-aid bill. Thereafter the reclassification bill.

Tomorrow will be Senate Joint Resolution 53, the reforestation bill; and after that, it is the intention to adjourn over from Thursday until Monday.

Mr. MARTIN of Massachusetts. We will take up conference reports that are filed?

Mr. MCCORMACK. Oh, yes; if they are ready. And then adjourn over until Monday.

The SPEAKER. If the conference report on the ECA has been agreed upon, it will be taken up?

Mr. MCCORMACK. Conference reports naturally will be taken up tomorrow.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include a speech made on

yesterday by the President of the United States.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. RHODES asked and was given permission to extend his remarks in the RECORD and include an article from the Metal Polisher.

Mr. MOULDER asked and was given permission to extend his remarks in the Appendix concerning the Government's price-support program for the 1948 corn crop.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

THE REPUBLICAN PARTY

Mr. O'SULLIVAN. Mr. Speaker, since thinking over the incident of the Republican Party, muddled and without a program, appearing recently eye to eye to the midwest farmers to formulate a farm program by word of farmers' mouths only, I have discovered a very good reason for this unnatural phenomenon, and I am now sure that the reason for their visual approach was because the Republican Party can no longer take the pulse beat of the Nation's farmers because it lost both hands during the last national election, and also its heart and a part of its head, thus having the rare distinction of being the first political amputee in the United States. Some suggest, however, that the amputation would have been more satisfactory to all and much better for the country if it had occurred so as to shorten its stature exactly by a head, in good old Middle Age fashion.

The SPEAKER. The time of the gentleman from Nebraska has expired.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DOUGHTON asked and was given permission to extend his remarks in the RECORD and include a statement made by the President on September 26 at the signing of the Reciprocal Trade Agreement Act of 1949.

Mr. DOUGHTON asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times, entitled "A Red Letter Day for Mr. Hull."

Mr. HARRISON asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include the story of Dr. Allen Dumont.

CORRECTION OF ROLL CALL

Mr. VAN ZANDT. Mr. Speaker, on roll call 202, on page 13574 of the RECORD,

I am recorded as not voting. I was present and answered in the affirmative. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, the RECORD and Journal will be corrected accordingly.

There was no objection.

EXTENSION OF REMARKS

Mr. HOPE asked and was given permission to extend his remarks in the RECORD.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the RECORD and include an article by Edna Lonigan.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection? There was no objection.

REPUBLICAN FARM CONFERENCE

Mr. HOEVEN. Mr. Speaker, in the judgment of unbiased observers, the Republican Farm Conference held at Sioux City, Iowa, on September 23, and 24, 1949, was an outstanding success. Over 3,500 dirt farmers attended the meetings and 18 Members of Congress were present, including 7 Members of the Senate and 11 Members of the House. Over 100 witnesses from 15 different States testified.

One of the interesting features of the Conference was the presence of a large number of young GI farmers and their wives. It is this young group who testified who spoke out in favor of our private enterprise system and most emphatically declared that they wanted a minimum of government interference in a long-range farm program.

Very little sentiment was expressed for the so-called Brannan plan. In fact, only two witnesses recommended such a program for agriculture. Even the president of the Farmer's Union of Nebraska testified that he found very little sentiment for the Brannan plan among Farmer's Union members in his own State.

Farmers came to the conference voluntarily in response to an open invitation to be present. They expressed themselves freely and the Members of Congress only listened. In contrast to the Brannan meeting at Des Moines last June which was packed with government employees and labor leaders, the Sioux City conference was thoroughly a farmer's meeting. The farmers were asked what they wanted in the line of a permanent farm program and no attempt was made to shove a predigested package of cure-all down their throats.

A transcript will be made of the hearings and the same will be made available to those who are interested. Republican Members of Congress have now been put on notice as to what the farmers of the Midwest, at least, want in the line of a long-range program for agriculture. The farmers' proposals and views no doubt will be reflected in proper legislation to be presented by Republican Members of Congress at an early date. One thing is certain, and that is that the

American farmer is tired of stop-gap farm legislation. He wants a long-range agricultural program enacted without delay. He wants a sound and sensible program which can have the support of all elements of our economy and, lastly, he wants a program completely divorced from politics.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. PRESTON asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include a letter and table from the Department of Agriculture.

Mr. SCUDDER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article on the Pacific-coast fishing industry which appeared in the Humboldt Standard of Eureka, Calif., under date of September 19, 1949.

SPECIAL ORDER GRANTED

Mr. MILLER of Nebraska asked and was given permission to address the House for 10 minutes on tomorrow, September 29, following the legislative business of the day and any special orders heretofore entered.

CORRECTION OF RECORD

Mr. REES. Mr. Speaker, I ask unanimous consent to correct the RECORD of Tuesday, September 27, page 13562, in my interrogation of the gentlewoman from New York [Mrs. ST. GEORGE], to add, after the words "her bill was reported adversely", the words "by the Postmaster General."

The SPEAKER. Without objection, the permanent RECORD may be corrected accordingly.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCUDDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THREAT TO THE FISHING INDUSTRY OF THE PACIFIC COAST

Mr. SCUDDER. Mr. Speaker, I am wondering how long we can continue to support the peoples of the world and continue by short-sighted policy to disrupt our industries and throw our laboring men out of employment. I have letters from the Pacific coast, and particu-

MAKING APPROPRIATIONS FOR FOREIGN AID

SEPTEMBER 28, 1949.—Ordered to be printed

Mr. GARY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 4830]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4830) making appropriations for foreign aid, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 15.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, 9, 13, and 17, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$350,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert , *of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47)*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$912,500,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$42,500,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 7, 8, 10, 14, and 16.

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HOMER FERGUSON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Strikes out provision of the House making available \$125,000 for expenditures of a confidential character during the fourth quarter of the fiscal year 1949, as proposed by the Senate.

Amendment No. 3: Appropriates \$3,628,380,000 as proposed by the Senate instead of \$3,568,470,000 as proposed by the House.

Amendment No. 4: Appropriates \$350,000 for expenditures of a confidential nature for the fiscal year 1950 instead of \$500,000 as proposed by the House and \$200,000 as proposed by the Senate.

Amendment No. 5: Includes a modified provision of the Senate making available the amount of \$25,000 for carrying out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended. The modification is included to make the provision permissive rather than mandatory.

Amendment No. 6: Eliminates provision of the House permitting the obligation and expenditure of the appropriation for the Economic Cooperation Administration during the period July 1, 1949, to May 15, 1950, as proposed by the Senate.

Amendment No. 7: Reported in disagreement.

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Amendment No. 13: Eliminates a provision of the House for government and relief in occupied areas permitting the employment of individuals without regard to certain existing laws, as proposed by the Senate.

Amendment No. 14: Reported in disagreement.

Amendment No. 15: Eliminates provision of the Senate stipulating that when travel for purposes of government and relief in occupied areas is performed by members of the armed forces, such travel expenses shall be paid out of the appropriation for that purpose, as proposed by the House.

Amendment No. 16: Reported in disagreement.

Amendment No. 17: Corrects section number.

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from Idaho [Mr. MILLER], the Senator from West Virginia [Mr. NEELY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in his family.

The Senator from North Carolina [Mr. GRAHAM] is absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. McCARRAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

On this vote, the Senator from Alabama [Mr. SPARKMAN], who would vote "yea" if present, is paired with the Senator from Oklahoma [Mr. THOMAS], who would vote "nay" if present.

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. McCARRAN], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. NEELY], the Senator from Mississippi [Mr. STENNIS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate on official business. If present and voting, the Senator from Connecticut would vote "yea."

The Senator from Vermont [Mr. AIKEN], the Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Massachusetts [Mr. LODGE], and the Senator from Pennsylvania [Mr. MARTIN] would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Indiana [Mr. JENNER] and the Senator from Wisconsin [Mr. WILEY] are absent on official business. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from Indiana [Mr. CAPEHART], who is absent on official business. If present and voting, the Senator from Washington would vote

"nay," and the Senator from Indiana would vote "yea."

The Senator from Missouri [Mr. KEM] and the Senator from Kansas [Mr. REED] are detained on official business.

The result was announced—yeas 52, nays 14, as follows:

YEAS—52

Anderson	Ives	Murray
Bridges	Johnson, Colo.	O'Connor
Chapman	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Donnell	Kerr	Russell
Douglas	Kilgore	Saltonstall
Downey	Knowland	Schoeppel
Eastland	Leahy	Smith, Maine
Flanders	Long	Taft
Frear	Lucas	Taylor
Fulbright	McCarthy	Thomas, Utah
George	McClellan	Thye
Gillette	McFarland	Tobey
Green	McKellar	Watkins
Hayden	McMahon	Withers
Hill	Magnuson	Young
Hoe	Maybank	
Holland	Morse	

NAYS—14

Bricker	Gurney	Millikin
Butler	Hendrickson	Mundt
Cordon	Hickenlooper	Wherry
Eaton	Langer	Williams
Ferguson	Malone	

NOT VOTING—30

Aiken	Humphrey	Neely
Baldwin	Hunt	Reed
Brewster	Jenner	Robertson
Byrd	Kefauver	Smith, N. J.
Cain	Kem	Sparkman
Capehart	Lodge	Stennis
Chavez	McCarran	Thomas, Okla.
Dulles	Martin	Tydings
Ellender	Miller	Vandenberg
Graham	Myer	Wiley

So the bill H. R. 1689 was passed.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. JOHNSTON of South Carolina, Mr. LONG, Mr. HUMPHREY, Mr. LANGER, and Mr. FLANDERS conferees on the part of the Senate.

Mr. JOHNSTON of South Carolina. I also ask that the bill be printed as amended.

The PRESIDENT pro tempore. Without objection, Senate bill 498 will be indefinitely postponed.

PROGRAM FOR TOMORROW

Mr. LUCAS. Mr. President, before the Chair recognizes the Senator from Tennessee for the purpose of presenting a conference report upon the ECA appropriation bill, I desire to advise the Senate that tomorrow we shall proceed to the consideration of Senate bill 1772, which is a bill to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes. It is hoped we may finish that bill, take up the bill (H. R. 2379) to establish a standard of rates of basic compensation for certain employees of the Federal Govern-

ment; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; and pass both of them tomorrow afternoon. I am sure we shall not have so much trouble with those two bills, because there is a tremendous amount involved in the bills and a great number of people who vote in the respective States are vitally interested in them. I do not believe we shall have nearly so much trouble with those two bills as we had with the \$700,000 executive pay bill we have been debating for 2 days; at least, I hope not. If we can finish the bills tomorrow, we shall take a recess until Monday; but whether we do or do not, we shall not have a Saturday session. Is that agreeable to the Senator from California? I see him smiling.

APPROPRIATIONS FOR FOREIGN AID—
CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit the conference report on House bill 4830, an act making appropriations for foreign aid, for the fiscal year ending June 30, 1950, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). The clerk will read the report.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4830) making appropriations for foreign aid, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 15.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 6, 9, 13, and 17, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$350,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the act of April 19, 1949 (Public Law 47)"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$912,500,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$42,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 7, 8, 10, 14, and 16.

KENNETH MCKELLAR,
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R. B. WIGGLESWORTH,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report submitted by the Senator from Tennessee.

The report was agreed to.

Mr. MCKELLAR. I ask that the Chair lay before the Senate the action of the House of Representatives on certain amendments in disagreement.

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4830, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
September 29, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7 and 14 to the bill (H. R. 4830) making appropriations for the foreign aid for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 1 to said bill and concur therein with the following amendment: In lieu of the matter proposed to be inserted by said amendment, insert:

"LEGISLATIVE BRANCH

"SENATE

"Contingent expenses of the Senate

"Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee, on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, from October 2, 1949, to June 30, 1950, \$110,000: *Provided*, That the amount herein appropriated shall include all expenses necessary to liquidate the affairs of the Joint Committee not later than June 30, 1950."

That the House recede from its disagreement to the amendment of the Senate numbered 8 to said bill and concur therein with the following amendment: In lieu of the matter proposed to be inserted by said amendment, insert:

"The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and

character, furnished by the American taxpayer."

That the House recede from its disagreement to the amendment of the Senate numbered 10 to said bill and concur therein with the following amendment: In lieu of the matter proposed to be inserted by said amendment, insert:

"CHINESE STUDENTS

"The President is authorized and directed to allocate to the Secretary of State not to exceed the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the act entitled "An act to amend the Economic Cooperation Act of 1948," approved April 19, 1949 (Public Law 47, Eighty-first Congress), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with the following amendment: In lieu of the matter proposed to be inserted by said amendment, insert:

"SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, and to use the appropriation herein made for government and relief in occupied areas for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "government and relief in occupied areas" an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949."

Mr. MCKELLAR. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 1, 8, 10, and 16.

The motion was agreed to.

Mr. WHERRY. Mr. President, I should like to ask the distinguished chairman of the conferees to give a brief statement about the "watchdog committee" and also the dismantling amendment. I think it would be of interest to Senators.

Mr. MCKELLAR. The amount allowed for the "watchdog committee" was lessened considerably, and it was agreed to.

Mr. WHERRY. But it is continued, is it not, for 1 year?

Mr. MCKELLAR. It is continued for 1 year. The dismantling proposal was rewritten, making the dismantling proposition permissive, and it was then agreed to.

Mr. LUCAS. I congratulate the Senator from Tennessee for finally accomplishing a long, difficult task.

Mr. MCKELLAR. It took a long time. I may also report from the Committee on Appropriations that after 4 months of conference, the only difference in the civil-functions bill, which is important to

all Senators, is a difference of \$150,000 out of many, many million dollars.

Mr. WHERRY. Eight hundred million dollars.

Mr. MCKELLAR. I am very hopeful we can reach a final agreement tomorrow. I hope to be able to submit the conference report and have the bill passed tomorrow.

Mr. LUCAS. That is very encouraging, I may say to the Senator from Tennessee.

NATIONAL-STATE BANK CONVERSION—MERGER BILL

Mr. KILGORE. Mr. President, I should like to invite the attention of the Senate to a letter I have received from the Department of Banking in the State of West Virginia urging that the Senate take favorable action on House bill 1161, recently reported by the Senate Banking and Currency Committee and now on the Senate Calendar. I ask unanimous consent that this letter from the Commissioner of Banking, Mr. John H. Hoffman, be printed in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WEST VIRGINIA,
DEPARTMENT OF BANKING,
Charleston, September 26, 1949.

HON. HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KILGORE: I have been advised that the Senate Banking and Currency Committee voted favorably on H. R. 1161 (the national-State bank conversion-merger bill).

This bill is of utmost importance to the banking department of this State and all other State banking commissions, and I sincerely hope that you will be able to support this bill.

With kindest personal regards, I am,

Very truly yours,

JOHN H. HOFFMAN,
Commissioner of Banking.

ADDITIONAL BENEFITS FOR CERTAIN POST OFFICE EMPLOYEES

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1772 to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1772) to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, compensatory time, and promotion, and for other purposes, which had been reported by the Committee on Post Office and Civil Service with amendments.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will call the Executive Calendar.

tion that was not done correctly under WPA. This bill will provide the necessary authorization to complete the project by the Bureau of Reclamation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RICH. Was this started by WPA without the advice and consent of the Bureau of Reclamation?

Mr. DEWART. It was under the WPA program, the relief program, started several years ago. I am not advised as to that particular point.

Mr. RICH. Does the Bureau of Reclamation now recommend that the projects be completed?

Mr. DEWART. The Bureau of Reclamation definitely recommends the completion of the project. In fact, it is about two-thirds or three-quarters completed now. Without this authorization and an accompanying bill that is in the agricultural bill, we cannot complete the project. The one that is in the Committee on Agriculture has to do with the transfer of credits with regard to the construction of buildings and homes on the tract.

Mr. RICH. Will this be transferred to the Bureau of Reclamation, to look after, after it is completed?

Mr. DEWART. It will be transferred to the Bureau of Reclamation for repayment.

Mr. MURDOCK. The bill has been reported unanimously by the Committee on Irrigation and Reclamation of the House.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Arizona [Mr. MURDOCK]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to complete the construction of irrigation facilities, including necessary drainage works, on the first and second divisions of the Buffalo Rapids project, Montana, as approved by the President under authority of the act of May 10, 1939 (53 Stat. 685), and the act of October 14, 1940 (54 Stat. 1119), as amended: *Provided*, That of the funds heretofore or hereafter expended for such construction an amount equal to \$60 per irrigable acre as determined and announced by the Secretary of the Interior upon completion of the project shall be reimbursable by the water users over a repayment period of not to exceed 60 years, and provision for the recovery thereof and for payment of the operation and maintenance costs of the irrigation and drainage features of the project shall be made by a contract or contracts satisfactory to the Secretary of the Interior.

Sec. 2. To carry out the purposes of this act, the Secretary of the Interior is hereby authorized to allot any moneys available from appropriations heretofore made to the Department of the Interior for "water conservation and utility projects" and "water conservation and utilization projects," and there is hereby authorized to be appropriated to the Department of the Interior, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary to complete the project.

The bill was ordered to be read a third time, was read the third time, and passed,

and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AMENDING THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. MURRAY of Tennessee. Mr. Speaker, I call up the conference report on the bill (H. R. 2944) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, September 26, 1949.)

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN FORMER EMPLOYEES OF THE FOREIGN ECONOMIC ADMINISTRATION

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 1950, for the relief of certain consultants formerly employed by the Technical Industrial Intelligence Committee of the Foreign Economic Administration, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 14 and 15 and insert:

"Sec. 3. No certificate or statement as to such items furnished such employees shall be required of them: *Provided*, That this section shall not be construed to waive the filing by such employees of any certificate or statement required to be submitted under existing law or regulations with reference to per diem allowances exclusive of such items as defined in section 1."

Page 5, line 9, after "items", insert "and shall be made within 1 year after the enactment of this act."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FOREIGN AID BILL

Mr. GARY. Mr. Speaker, I call up the conference report on the bill, H. R. 4830, making appropriations for foreign aid, for the fiscal year ending June 30, 1950, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of September 28, 1949.)

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GARY. I shall be glad to yield.

Mr. RICH. This conference report deals with the bill appropriating money for ECA, does it not?

Mr. GARY. Yes.

Mr. RICH. What amount have the conferees brought back to the House?

Mr. GARY. I shall make a complete explanation of the conference report, and I now yield myself 20 minutes for that purpose.

The SPEAKER. The gentleman from Virginia is recognized for 20 minutes.

Mr. GARY. Mr. Speaker, I doubt if there has been a single bill before the Congress this session that has been deliberated as carefully as the measure now before you. I notice from the papers of yesterday that it was reported that the House had completely capitulated to the Senate and that the conference report is a great Senate victory. I am not here to claim victory for either side. I do want to say to the House, however, that your managers did not capitulate to anybody. This bill has been in conference for 2 months. The conferees have had numerous sessions. I think the results which we present to you today can be called an honest and reasonable compromise of the differences between the two Houses of Congress.

Mr. Speaker, this bill contains several items. In the first place it embraces appropriations for the Economic Cooperation Administration for the last half of the last quarter of the fiscal year 1949. The budget request for that quarter was \$1,074,000,000.

When the bill left the conference that quarter had ended. We knew the exact expenditures. They consumed approximately \$1,074,000,000. Therefore, the Senate made no changes in that figure and the figure as it appears in the conference report is exactly as it was enacted by the House and approved by the Senate without any change.

The next item was appropriations for the ECA for the fiscal year 1950. It will be recalled that the House cut the estimates on those appropriations approximately \$600,000,000. The House appropriated for the ECA for the fiscal year 1950, \$3,568,470,000. You will recall that there was considerable debate on the floor of the House as to the propriety of cutting the funds by that amount. We finally agreed to allow the funds to remain as reported out of the committee with a cut of \$600,000,000, but placed a provision in the bill allowing the Administrator, with the approval of the President, to spend these funds within 10½ months if it became necessary.

When the bill reached the Senate that body increased those figures in cash approximately \$60,000,000 and made a cash appropriation of \$3,568,380,000, and, in addition to that, it authorized loans from the Treasury of \$150,000,000. Those Treasury loans will be advanced to the ECA on loans that the ECA makes to these countries on self-liquidating proj-

ects, or at least on security. They are really loans.

This increased the House figures approximately \$210,000,000, but the Senate struck out of the bill the provision permitting the Administrator to spend these funds in 10½ months, if necessary, so that the Senate appropriation was placed entirely on a 12-month basis. As a matter of fact, when we go into the conference we all agreed that a 12-month basis was preferable, and consequently on that item there never was any real dispute as to those funds. The House accepted the Senate figures. The real dispute came over two items in the bill.

You will recall that the House definitely instructed its managers that it should insist upon abolition of the so-called watchdog committee. That is the joint committee of the Senate and the House which was created last year to watch the activities of the ECA. That committee had allotted to it last year two hundred and sixty and some odd thousand dollars. They asked this year for, and the Senate allotted them, \$344,000. Your conferees felt that this committee was unnecessary. The House felt that it was unnecessary, because it instructed us to fight for its abolition. I want to say to you that I do not think any managers ever carried out the instructions of the House with greater force than did your managers in this instance, but we finally reached an impasse, and we got to a point where this one item of the watchdog committee was blocking any agreement upon the entire bill. We got this concession, and here is what we decided on. Instead of giving them \$344,000 to operate on next year, we in this bill gave them \$110,000 to liquidate, and it is definitely understood and provided and written into the bill that the committee shall liquidate its activities as of June 30, 1950. It is also definitely understood that they shall liquidate this committee next year. Obviously, you just cannot abolish this committee overnight. They have their agents all over the world, in Europe and in other sections, checking up on the ECA. Those people have got to be brought back home. The affairs of the committee have got to be settled in an orderly manner. We feel that the amount allowed in this bill, rather than perpetuating this committee, simply gives it an opportunity to liquidate its activities in an orderly process.

There was one other feature in this bill over which there was some controversy, and there it was not a question of the amount. It was more a question of the principle involved. The Senate had put in a clause providing that \$25,000 of the appropriation might be used to resurvey of that entire question. The in Germany. That, today, is one of the most highly controversial questions in the entire European situation. As a matter of fact, a survey was made by General Clay when he was in charge in Germany. They decided that certain plants should be dismantled. When we created the ECA, the Congress insisted on a resurvey of that entire question. The Economic Administrator, Mr. Hoffman,

appointed one of the ablest committees that he could find in this country to go over and make a study. That committee went over and made a study; it made a report. The United States alone does not control that problem. It is a problem that has to be decided in conference with Great Britain and with France. But, as the result of this resurvey a new agreement was entered into, whereby 159 plants that had been previously ordered to be dismantled were permitted to remain. Now, as to the \$25,000 that was put into this bill, it was doubtful under this language whether it would require the ECA to go back and make a resurvey. If it is necessary, it ought to be done. But, the House conferees felt that this was largely an administrative matter and that the House should not dictate to the ECA officials as to what they should do in this matter; consequently, we finally agreed upon the language which reads as follows: "of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949."

That means that we appropriate the \$25,000, but we leave it entirely within the discretion of the Administrator as to whether or not it shall be used, and as to whether the resurvey shall be made.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. RICH. Since the report that was made in reference to the dismantling of these plants, if we do not have the real authority to prohibit that, are they working with Great Britain and France now to permit them to let those plants remain?

Mr. GARY. That is a very live question in Europe at the present time. I can assure the gentleman that the State Department, the ECA, and all the agencies dealing with foreign aid are giving their best attention to it and collaborating with Great Britain and France with reference to its proper solution.

Mr. RICH. This committee that you have watching the spending of this money—

Mr. GARY. Not that we have; that the Senate has.

Mr. RICH. You are going to liquidate that committee?

Mr. GARY. Yes.

Mr. RICH. Was not the committee of any service in trying to keep from squandering the money that we have given to these people for certain purposes?

Mr. GARY. The House subcommittee that handled this bill and others in the House have been unable to see that any benefits at all have been derived from that committee. For that reason, we insisted upon its abolition, and the House sustained us, because we had a vote on it in the House and the managers were instructed to insist that the committee be abolished.

Mr. RICH. The gentleman is satisfied now that the Director of ECA is spend-

ing this money to advantage, but to the advantage of whom?

Mr. GARY. I personally am satisfied that he is spending this money in the best interest of the United States and of world recovery. I do not know of any person for whom I have greater respect, particularly as to his ability, than Mr. Hoffman, who is the Administrator of the ECA. I think he has an exceptionally efficient organization. He has able staff members. In my judgment he is doing a magnificent job in the administration of these funds.

Mr. RICH. I understand the sum total is \$3,628,000.

Mr. GARY. I have not finished. I have several other items to discuss. Then I will give the sum total.

Mr. RICH. That is to be spent in either 10½ months or 12 months, as the Administrator sees fit?

Mr. GARY. The 10½ months provision is out. It is now for 12 months.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. CASE of South Dakota. When the Select Committee on Foreign Aid came back from Germany and Austria they made a specific recommendation with reference to this dismantling program. Following that the House adopted a resolution of inquiry which went into this matter, and they did that after getting some unsatisfactory responses. I am a little surprised to find that the gentleman says that it is now made permissive rather than mandatory to continue this survey of this dismantling program.

We used to have an expression out our way that he who pays the fiddler calls the tune. I am disturbed to have the gentleman from Virginia say that the United States cannot exercise a very potent voice in this dismantling program. We put up 90 percent of the dollar cost that Britain had when we took over the English zone. In addition to taking that over, here we provide this whole program of foreign aid. I am unable to understand why we cannot specifically say that the dismantling program, which interferes with the recovery of western Europe and increases the bill that we pay, shall be suspended.

Mr. GARY. The gentleman misquoted me. I did not say the United States did not have a potent voice. I said it was a matter to be decided in agreement with Great Britain and France. There have been numerous conferences on the subject. I think the problem will be worked out to the entire satisfaction of all parties. Certainly, insofar as this bill is concerned, the provision which has been written into the bill by the conferees will permit that to be done.

Mr. CASE of South Dakota. What assurance did the gentleman get from Mr. Hoffman as to the policy to be followed? Is the Humphrey committee continued?

Mr. GARY. The committee got no assurances. It asked Mr. Hoffman for no assurances with respect to this matter. It has to be handled by the Administrator of ECA, that is, by the new United States Administrator in Germany, Mr.

McCloy. Mr. McCloy has just taken over his duties in Germany as the gentleman knows, and he ought to have time to study the question. It also involves matters in which the State Department is interested. We did not feel that the Congress should attempt to dictate to those agencies as to how they shall settle their problems. We felt that we should give them the means whereby they can use their facilities for settling them amicably and properly.

Mr. CASE of South Dakota. Under the ECA Act and in the resolution of inquiry adopted by the House we did attempt to say to them what they should do.

Mr. GARY. And that has been done.

Mr. CASE of South Dakota. We did not leave it to them.

Mr. GARY. That has been done. A survey was made in accordance with the provisions of the law. A report was made and a new agreement was perfected. If we continue to agree with the other nations and then go back and continuously insist on a review of those agreements, soon the United States will be labeled abroad, along with Russia and other countries, as a nation that will not stick by its agreements. Certainly we do not want that to happen.

Mr. CASE of South Dakota. But that should not prevent us from seeking modifications of the Potsdam agreement and any other agreements as conditions change. In fact, this whole business of our putting up these funds for European aid and recovery in western Germany is a change from first agreements.

Mr. GARY. Those are matters for the administration to determine.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield for a question?

Mr. GARY. I yield.

Mrs. ST. GEORGE. Is this \$25,000 to be used at the discretion of Mr. Hoffman, or of Commissioner McCloy, or at the discretion of both those gentlemen?

Mr. GARY. It is out of Mr. Hoffman's appropriation, and therefore it must be used at the discretion of Mr. Hoffman.

But, may I say to the gentlewoman that Mr. Hoffman and Mr. McCloy and the State Department are all collaborating very closely and working together in the handling of this very, very difficult problem.

Mrs. ST. GEORGE. Are the other conferees on the part of the House satisfied that Great Britain has stuck to her part of the agreements on the dismantling program?

Mr. GARY. That is a problem which our committee did not go into.

Mrs. ST. GEORGE. I think that problem should have been gone into.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. GROSS. Is the \$25,000 provision for entertainment still in this bill?

Mr. GARY. So far as I know there has been no question raised as to that.

Mr. GROSS. Then it is still in the bill; is that correct?

Mr. GARY. It is still in the bill. There has not been any question raised on that item.

May I say to the gentleman from Pennsylvania, with reference to the total

figures: In addition to the items which I have mentioned, the bill, as passed by the House voted \$50,000,000 for aid to Greece and Turkey. The other body cut that to \$45,000,000. We agreed to the figures of the Senate and the amount recommended by the conferees is \$45,000,000. The other item is for government and relief in the occupied areas, what is known in common parlance as GARIOA. That is for the support of the government in Germany and Japan. The House voted for that item the sum of \$925,000,000. The other body voted \$900,000,000. We split the difference on that item and the conferees' report contains the recommendation of \$912,500,000. In addition to that there is one item in the bill in reappropriation of \$4,000,000 for the education of Chinese students, making a total, including the \$150,000,000 loan, of \$5,813,740,000.

Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am going to tell a few things that this conference report does, first, and then I am going to tell you just exactly what I think about the situation.

On the first amendment there is agreement, \$110,000 for the continuance, over the next 9 months, of the Joint Investigating Committee. That committee has done a great deal toward keeping the ECA within bounds and having them comply with the law. It initiated the investigation of the German steel situation, which finally resulted in the appointment of the Humphries committee. That saved probably close to a billion dollars worth of steel plants in Germany. The committee first sent over Mr. Wolfe, the chief representative in Europe of the United States Steel Corp. He made a very careful investigation of the situation. That was followed by the Humphries committee. What has been saved has come directly from the operations of that committee.

The first item of \$1,074,000,000 was not in dispute.

The next item, amendment No. 3, the Senate figure was agreed to, adding \$60,000,000 to the over-all figure of \$3,568,470,000.

Amendment No. 5 provides the \$25,000 that would permit the Administrator to go further into the question of dismantling. I am satisfied that those at the head of the ECA and the head of our representation in Germany at the present time realize that the dismantling performance ought to be stopped, and that Germany ought to be put on a self-sustaining basis just as soon as she can be. We should not permit dismantling and then send money over there to replace the things that have been dismantled. That does not make sense in the slightest degree.

Amendment No. 6 continues the operation absolutely for a year, without the 10½-month provision that was written in on the floor of the House.

Amendment No. 7 is in disagreement. That adds \$150,000,000 to the over-all funds available, and it is to be used for loans. It is absolutely unnecessary, because they can make loans out of the

funds that are already provided. The picture is this: During 17 months, down to the end of August, the total shipments by ECA to these countries was \$4,872,000,000. That means \$286,000,000 a month. The appropriations carried in this bill for ECA including this \$150,000,000, makes \$4,852,000,000 to cover what is called the period of 15 months. That means \$323,000,000 a month, or \$37,000,000 a month more than they have been spending before, which is perfectly ridiculous, because this program was laid out on a 4-year basis with the understanding that it would be tapered off after the first period was over. Instead of tapering off we are adding, if this thing goes through, \$37,000,000 of shipments a month, or nearly \$450,000,000 for the period. That means that if this thing was going to be done on a straightforward basis that we ought not to be adding all that money now.

There is involved here not only this money, but also this amendment in disagreement; there is involved this whole situation as to whether or not they shall be given so much money that the money will be spent by the Administrator to maintain that Socialistic party in power in Great Britain. At the present time the British are spending \$2,000,000,000 a year for food subsidies, and they are spending \$1,000,000,000 a year for socialized medicine; and it all comes back on our necks and the necks of our taxpayers. What are we going to do? We are scheduled at the present time according to the latest Treasury statement, with a deficit for the first 3 months of this fiscal year of \$1,394,000,000, which means a deficit of \$5,500,000,000 for the year. There are just two ways this deficit can be overcome. One is by reduction in appropriations and greater care on the part of Congress in providing funds to be spent; the other is by increasing taxes. Let me say to you that the biggest part of those taxes and that tax increase has got to come out of a reduction in the exemption granted to individuals and an increase in the tax that will come out of withholding money from the pay rolls of the poor people. You can bleed the rich to a certain extent, but in order to meet a \$5,000,000,000 deficit you have got to bleed the poor as well, and the biggest part of the take will come out of the poor. That is the situation that we are in at this time. It seems to me that we should begin to be careful about the amounts of money we provide, that we should refuse this \$150,000,000 that is involved in the amendment in disagreement and which will come up after the conference report has been acted on where the increase involved in ECA is \$60,000,000. Personally I shall vote against the conference report on the whole thing.

I shall not ask for a roll call because it is a small item that is involved, but when it comes to the vote on the amendment in disagreement which involves the \$150,000,000 I am going to ask for a roll call on that because I believe we ought to turn it down here in the House of Representatives.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. What effect, if any, will the devaluation of the foreign currencies have upon this whole program? Is it going to take less dollars now to furnish the things that they are buying?

Mr. TABER. If they will come to, over in these countries, and not try to increase costs, it will enable them to purchase more, but they have got to have a different attitude toward the whole thing. Great Britain has been the major manufacturer of textile machinery, the very best that there was, but her own plants have not been equipped with that machinery. In other words, she has allowed her plants to run down instead of keeping them up. She has been spending her money on developing a welfare state and a socialistic program. They have not in good faith gone ahead and rehabilitated their industry and their general situation and that is what the ECA should insist on right along with every dollar that is spent over there instead of frittering it away on things that destroy them and destroy the morale of their people.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman from New York has just made a challenging, an unanswerable argument and statement of fact. I wonder if this matter could be referred to the people of this country in a referendum whether or not there would be enough votes in favor of a thing like this—a monstrosity, an outrage upon the American people—to wad a shotgun?

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. In view of the fact that we are going to have a \$5,500,000,000 deficit, as the gentleman stated, I am wondering what the deficits of these countries are going to be which we are aiding? Perhaps our deficit is larger than theirs and appropriating money for this purpose is like the blind leading the blind. I am just wondering how long the American people can continue with this type of program.

Mr. TABER. We are going to be blind unless we stop this sort of business.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. May I ask the gentleman from Tennessee [Mr. JENNINGS], who spoke about a referendum whether he has forgotten the referendum of last fall?

Mr. JENNINGS. That was not a referendum on a cockeyed scheme like this.

Mr. TABER. You will get plenty of referendum about the time you increase the taxes and rob the poor of the money that it takes to carry on this performance.

Mr. GARY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 7, insert:

"LEGISLATIVE BRANCH

"SENATE

"Contingent expenses of the Senate

"Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, \$344,000: *Provided*, That this appropriation shall be available from and including July 1, 1949, for the purpose provided herein. All obligations incurred during the period between July 1, 1949, and the date of the enactment of this act in anticipation of such appropriation are hereby ratified and confirmed if in accordance with the terms hereof."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur in the same with an amendment, as follows:

"LEGISLATIVE BRANCH

"SENATE

"Contingent expenses of the Senate

"Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, from October 2, 1949, to June 30, 1950, \$110,000: *Provided*, That the amount herein appropriated shall include all expenses necessary to liquidate the affairs of the Joint Committee not later than June 30, 1950."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 5, line 1, insert: "": *Provided further*, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said act; and the provisions of paragraph (2) of section 111 (c) of said act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment and yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I can see no reason for the adoption of this addi-

tional \$150,000,000. Without it, we will have \$4,702,000,000, or \$323,000,000 a month, to ship over the 15-month period, from the 1st of last April to the 30th of next June. Previous shipments have amounted to \$286,000,000, on the average, a month. That means that without this amendment there will be in this period an increase of \$27,000,000 a month over the previous period. If you add this \$150,000,000 onto the bill, it means an increase up to \$333,000,000 from \$286,000,000, average, or \$37,000,000 a month increase.

Now, I have been willing to meet any reasonable obligations that we have to help the rest of the world in distress, as well as former allies, or prospective allies should hostilities occur, but unreasonable figures I cannot support. I am, therefore, going to ask for a roll call on this motion. I hope that the Members of the Congress will get to the point where they will realize the necessity for economy if the United States is going to survive right side up. We cannot go on with continued deficit spending and unbridled grants of money that there is absolutely no excuse for. I hope the House will reject this additional \$150,000,000 at this time.

Mr. GARY. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, it seems to me the Members of the House ought to support this attempt to cut \$150,000,000 from this bill. I say this because these so-called loans are a fake and farce. Why borrow money when you can get it for nothing?

Let us together survey the spending on the foreign aid program in this country since the end of the war. Through 23 different foreign aid programs we have spent \$35,000,000,000 of the people's money. I just figured up this morning what it means to the little town of Grand Island, Nebr., with 20,000 people. It means they have bonded themselves for nearly \$5,000,000. Many towns are hesitant about bonding themselves for \$50,000 or \$100,000 for swimming pools or schools or public improvements, yet we here in Congress without any hesitation bond our people, and believe me it is a bond, a debt they cannot escape.

Does anyone in this House think your people in a city of 20,000 would vote a bond of \$5,000,000 to send aid across the seas? They recognize they must help people, and they do. When the Friendship Train went through Nebraska and throughout the country people contributed large amounts, and they would do so again, for those who are hungry and in need of clothing and medicine. But this type of program cannot go on forever.

Since the end of the war we have spent \$177,000,000,000 in running our Government. That is more than our Government cost us in the first 152 years of our existence. Yes; we are spending three and one-third billions a month. That is more than the Civil War cost us in 4 years. Yes; during that first 152 years we have had several wars and depressions. Oh, we can spend ourselves into destruction, we can knock ourselves out

in our own gymnasium. The power to tax is the power to destroy. I tell you that my people at home are looking at Congress and asking that we spend less money.

Half of our budget is military spending and foreign aid programs, about \$23,000,000,000. In 1939, when we thought we were preparing for war, we were spending less than \$1,000,000,000 on the military. Today it is \$15,000,000,000 or \$16,000,000,000. There was no foreign-aid program then. Where are you going to end? Are you, as representatives of your people, going to continually vote large sums of money which finally will result in spending ourselves into destruction?

Mr. Speaker, we are bleeding ourselves white. We just cannot waste our resources all over the world with no promise of a fair return.

We will have a deficit this year of five-billion-plus dollars—more than all the nations we seek to help. It is like the blind leading the blind.

I shall support the effort to cut the amount of this bill and will then vote against ECA. I feel we cannot risk this spending. We face bankruptcy.

CALL OF THE HOUSE

Mr. McGRATH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WHITTINGTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 206]

Abbt	Evins	McMillan, S. C.
Allen, Ill.	Felghan	McMillen, Ill.
Allen, La.	Fellows	McSweeney
Alley	Fernandez	Mack, Ill.
Baring	Flood	Macy
Barrett, Pa.	Fulton	Mansfield
Beall	Furcolo	Marcantonio
Bland	Garmatz	Martin, Iowa
Blatnik	Gathings	Morrison
Boggs, Del.	Gilmer	Multer
Boggs, La.	Goodwin	Murphy
Bolling	Gore	Norblad
Bolton, Ohio	Granahan	Norton
Bonner	Green	O'Konski
Bosone	Gregory	Pfeiffer,
Boykin	Hall	Joseph L.
Bramblett	Leonard W.	Pfeiffer,
Brooks	Hand	William L.
Buckley, N. Y.	Harden	Philbin
Bulwinkle	Hare	Phillips, Calif.
Burke	Harvey	Poage
Burnside	Hays, Ohio	Powell
Byrne, N. Y.	Hébert	Rains
Carlyle	Hedrick	Ramsay
Celler	Hefferan	Reed, Ill.
Chatham	Heller	Reed, N. Y.
Chudoff	Hoffman, Ill.	Ribicoff
Cole, N. Y.	Hope	Richards
Corbett	Horan	Riehlman
Coudert	Howell	Rogers, Mass.
Crawford	Huber	Roosevelt
Crosser	Irving	Sadowski
Dague	Javits	Scott, Hardle
Davies, N. Y.	Kearns	Scott,
Davis, Tenn.	Kennedy	Hugh D., Jr.
Dawson	Keogh	Short
Deane	Kling	Smathers
Dingell	Klein	Smith, Ohio
Donohue	Kunkel	Staggers
Douglas	Lane	Steed
Eaton	Latham	Tauriello
Eberharter	Lichtenwalter	Taylor
Elston	Lodge	Thomas, N. J.
Engle, Calif.	Lovre	Towe

Vinson
Walter
Whitaker
White, Idaho

Willis
Withrow
Wolcott
Wolverton

Wood
Woodhouse
Worley

The SPEAKER. On this roll call 294 Members answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want to assure the membership that I had nothing to do with this roll call. I also want to say that talking economy in Government is just about like pouring a glass of water over Hoover Dam. You know, a winner never quits and a quitter never wins, so let us hope we will get some place now on this bill and this conference report. Let us get some economy in Government for goodness' sake. Anything you can save ought to be a welcome dollar to the American taxpayer. When you come to realize that you have given to foreign countries over \$92,000,000,000 in the last 10 years and that you will never get any of it back, it seems to me you Members of Congress that voted for all that money ought to be ashamed of yourselves. You ought to think of your taxpayers and the poor fellows, who pay the bill when they start to weep some of these days. Stalin said a few years ago, "The way America is going to wreck itself is by spending itself to death." I think we are doing a pretty good job in that respect, and if he is not right I will be fooled, because something has got to stop you.

What are you doing here today? You have a conference report here where you are going to spend \$6,000,000,000 more for people in foreign countries. Do you not think it is about time for you to look after the American people and stay back home and tend to your own business? I certainly do.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. HOFFMAN of Michigan. Did not the House look after that pretty well yesterday and the day before?

Mr. RICH. The House has tried to look after them some, but we have a body on the other side of the Capitol that is bringing over so many appropriations and increasing them for these foreign-aid elements we cannot stand it. There is a limit to spending. Yesterday you passed a bill carrying \$1,400,000,000 to arm the countries of the world. That was terrible. You who voted for that, wait until your people back home get after you for that. You talk peace but get us in another war. Now you are going to spend \$6,000,000,000 more here for foreign aid, when we need to take care of our own people. It just is not right. It just does not make sense. It is not just. We cannot stand more taxes, but you will force more on our people.

I hope you will wake up pretty soon, or else I hope that the people of this country, if they want to look after their

country and continue with the American form of government, will wake up. America must get some economy in our Government soon or it is a wreck ahead.

I know the Members of the House do not want to hear me say these things but I think it is my duty. You are tired of listening to talk about economy, and I do not blame you for that, but I want to get you to realize your responsibilities. Cannot the Members of Congress realize that the Treasury Department today has an indebtedness of \$256,000,000,000? Last year at this time it was \$251,000,000,000. You are taking this country on the greatest joy ride any nation ever had. This is the greatest spending administration in the history of the world. Stop it, stop it, stop it I say. You are wrecking our Nation.

Mr. GARY. Mr. Speaker, I yield to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD following the disposition of this conference report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GARY. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

CARLOS P. ROMULO—PROPHET AND PATRIOT

Mr. STEFAN. Mr. Speaker, less than 2 weeks ago, the General Assembly of the United Nations elected a member of the delegation from the Republic of the Philippines to preside over their current and coming deliberations. The new President received an overwhelming majority. No man among them was more deserving of their confidence than the man to whom they gave the highest honor within their power. That man was Carlos P. Romulo.

"General Romulo"—as many of us knew him—was and is, at one and the same time, a prophet and a patriot. These two allied traits were so well blended in his courageous character that even his closest associates could not tell where the prophet ended and where the patriot began.

When he looks down from his chair upon the representatives of the most powerful nations of the world, he is not alone. His spiritual forefathers are beside him—Sergio Osmeña, Manuel Quezon, Jose Rizal. Their examples lead him. Their inspiration impels him. Knowing that—yes, and knowing him—we Americans can count ourselves fortunate indeed that General Romulo has been given the position of responsibility which he so richly deserves.

He left Bataan among the last to escape the ruthless violence of aggressor Japan. He would have given anything he had if only he could have stayed behind with Wainwright's heroes and with his own beloved people. He would have gone willingly on the March of Death. Instead, he left the Philippines—his ultimate destination, the United States. Carlos Romulo had made his choice. He elected to lead his peo-

ple on the March of Life. The years which have intervened between the tragedy of Bataan and his latest triumph have proved the inherent rightness of his choice.

During General Romulo's enforced exile, his mind and his heart were never idle. Book after book emerged from his tireless typewriter. The American people read them. Magazine articles which he wrote found their way into millions of American homes. His eloquence charmed American ears from Portland to Pensacola. Our own writers, our own orators, were telling their countrymen that this was a global war. Unfortunately—to most of them, then, as it is to all too many now—Europe was their globe. Romulo made the American people face east. It is to his credit, not to ours, that what he did was almost a one-man job.

Romulo's words, written and spoken, were prophecy. But, when he splashed through the surf to Leyte with General Douglas MacArthur, his deeds were the deeds of a patriot. In the campaign which followed he consecrated his body to the liberation of the Philippines even as he had formerly devoted his mind and his talents to the same high cause. His hand helped raise Manila, the Pearl of the Orient, phoenix-like from her own ashes. His keen judgment went far toward setting his fine people on the road to recovery, the pathway to peace.

This prophet, this patriot, came back to the United States after the war as a distinguished official of his free Nation. None of us who saw, who heard, will ever forget how Americans received him. A hundred thousand Americans cheered as one when General Romulo rose from beside lately liberated General Wainwright to address the multitude on the Monument Grounds. A sacred hush held the throng as they listened to what he had to say to them. Other speeches have been forgotten. This one will never be. No one among his vast audience could help but feel that he loved America and Americans. No one there could help but feel that—no matter how much he loved America and Americans—he loved the Philippines and the Filipinos more.

General Romulo was great in defeat. He was equally as great in victory. In these facts lie the key to the noble character of this brilliant and accomplished man.

Mr. Speaker, what General Romulo was and is points the way to what we should be now and ought to be in the future. Some Americans enjoy calling themselves "Internationalists" and "citizens of the world." Yet, the General Assembly of the United Nations confers their choicest office upon a man who never wanted to be, never pretended to be, anything else except a Filipino patriot.

Let Americans look to General Romulo. Let all of us devote our lives to these United States. Not by cringing apology—but by undeviating patriotism—can this Nation attain to its destined high place in international councils and justly earn the plaudits of the world.

(Mr. STEFAN asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I regret to find myself in disagreement with my beloved colleague the gentleman from New York [Mr. TABER]. I agree thoroughly with the general observations he made a few moments ago, but I disagree with his conclusion as to how we should vote on the pending motion. I am going to vote for the motion.

This is a proposal that \$150,000,000 of ECA funds be earmarked exclusively for loans. For the past 2 years I have attempted to make sure that they would progressively in this program increase the pay-back money and reduce the giveaway money. I delight in the fact that the conference have gotten away from this 10- and 15-month juggling and, instead, have gotten squarely to the fiscal-year basis, and then made a 10-percent cut in the ECA request. Within the 90 percent which is allowed is the \$150,000,000 for loans.

This conference on ECA funds has been going on 4 or 5 months, and to me it is inconceivable that the conferees are going to cut it any more than 10 percent. I want to see in this bill an amount exclusively for loans. Of course, they can make loans from the rest, but we know they will not. In 1948 I made the proposal that we make \$1,000,000,000 out of the \$5,000,000,000 exclusively for loans and guaranties. This year on the floor of the House I attempted to earmark 20 percent of the total exclusively for loans and guaranties. I was defeated. Now we have at least \$150,000,000 that they cannot use unless they make loans and unless they get those countries to pay us back. I do not believe we should strike that principle from the bill. Therefore, I am going to support the proposal to require that \$150,000,000 of the 90 percent that they originally requested shall be exclusively for loans.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. TABER. As I understand the language this \$150,000,000 is over and above the \$3,628,000,000 that is carried in amendment No. 3 and is not a part of it at all. That is the way the language reads.

Mr. VORYS. If I have been misinformed, I would like to be corrected. But I understand that the amount in the conference report for appropriation, plus this \$150,000,000 for loans is 10 percent below the amount requested for the fiscal year 1950. Am I right or wrong in that statement?

Mr. GARY. The gentleman is right. It is a 10 percent reduction. The gentleman is exactly right. The amounts in the bill, including the \$150,000,000 equal 90 percent of the requested fund.

Mr. VORYS. Then the proposition is clear. These conferees after battling over this thing for months, have agreed upon a 10 percent cut below the amount requested for the fiscal year 1950 in which I concur. Of the 90 percent that they have left, \$150,000,000 is going to be exclusively for loans. It cannot be giveaway money. In that I concur. Of

course the rest of it could be loans. But we have learned from cruel experience that if you give ECA authority to give money by either loans, grants, or guaranties, it is going to be by grants. Therefore, I want to see at least \$150,000,000 of this in loans now as we are reaching the middle of the Marshall plan. As a matter of fact, I would rather see a great deal more of it made as loans, and not as giveaway money.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. GARY. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, let us get this thing straight. Not every Member, I know, can get a copy of the bill at this time. But I have a copy. The other body has put in two amendments with which we are dealing in this discussion.

Looking at page 4, I see Senate amendment No. 3. The big figure for the ECA appropriation in the House was \$3,568,470,000. The other body increased that to \$3,628,380,000. That is an increase of \$60,000,000. That increase has already been agreed to in the conference report which has been adopted.

Now we are dealing with a separate amendment, amendment No. 7, which appears on page 5, which authorizes the Administrator to issue notes for purchase by the Secretary of the Treasury in an amount of \$150,000,000.

That is a separate amendment and is an increase in the total funds over and above the \$60,000,000 increase already agreed to.

I do not think anyone will dispute that these are two separate amendments, and this amendment that we are dealing with now means an additional increase of \$150,000,000 over the \$60,000,000 already agreed to.

If this \$150,000,000 were to be subtracted from \$3,628,000,000, then it could be said that we were converting part of the cash appropriation for gifts into loans. But that is not the situation. We are making two increases. We have already agreed to \$60,000,000 cash gift increase and now the motion offered by the gentleman from Virginia [Mr. GARY] would have us agree to a further increase by adding \$150,000,000 for loans.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. GARY. Will the gentleman point out to the House that the House figure was for 10½ months, whereas the Senate figure is for 12 months? Let us be fair in the whole situation.

Mr. CASE of South Dakota. Yes; I think that is permissive, but even so, that would give them more than they have been spending each month.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. WIGGLESWORTH. The House figure was for 12 months, with the proviso that if necessary it could be used in the period of 10½ months. If Mr. Hoffman succeeded in making the House figure good for the entire period of 12 months,

then the Senate figure is \$210,000,000 above the House figure.

Mr. CASE of South Dakota. Yes; sixty million plus one hundred and fifty million. So here we are to vote upon a second increase over the House figure. It is not a conversion of part of that amount into loans; it is an additional item of one hundred and fifty million for loans.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. GARY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a very serious matter but not a complicated one, and there is no use in trying to make it so.

The budget estimates for the ECA for the fiscal year 1950 were slightly over \$4,000,000,000. That was the request that was made of the Congress. The House cut those funds \$600,000,000, which was approximately 15 percent, to the figure \$4,568,470,000. But the House provided that, if necessary, they could spend those funds within 10½ months, which meant that they would have given them, if necessary, the amount that they requested. The House figures were on the basis of 10½ months, to give them substantially what was requested, if necessary.

The bill went to the Senate. The Senate insisted that the 10½-month provision be eliminated, and that we put this appropriation on a 12-months basis. Therefore they made an increase so that the decrease in the House, which would have crippled the ECA would be slightly modified. Instead of increasing them \$200,000,000 and making the cuts \$400,000,000, they increased the cash appropriation approximately \$60,000,000 and then gave the ECA authority to make \$150,000,000 in loans. Those loans will be made through the Export-Import Bank, and that bank has had a remarkable record in the liquidation of loans. So that of all the money we have appropriated, this is money we can expect to get back. They provide, of course, that the ECA shall find projects to make sound loans upon, to the extent of \$150,000,000. They have made a survey and they now think they can secure \$150,000,000 in sound loans. If we are going to cut this appropriation at all, certainly we should not cut the loan provision that we are going to get back. If there is going to be any cut, it should have been in the cash amounts that we obtained.

Including the \$60,000,000 increase in cash that the Senate made, and the \$150,000,000 in loans, the amount that is provided in the conference report at the present time is \$400,000,000 less than the budget request. Let us get that straight. It means that if this bill is adopted there has been, even with the \$150,000,000, a 10-percent cut in ECA funds for the fiscal year 1950.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. GARY. Mr. Speaker, I move the previous question on the motion.

The SPEAKER. The question is on the motion of the gentleman from Virginia to recede and concur in Senate amendment No. 7.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 118, noes 87.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-eight Members are present, a quorum.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 124, not voting 131, as follows:

[Roll No. 207]

YEAS—177

Addonizio	Gorski, N. Y.	Morgan
Albert	Gossett	Moulder
Anderson, Calif.	Granger	Murdock
Andrews	Grant	Murray, Tenn.
Aspinall	Hale	Nixon
Bailey	Hardy	Noland
Bates, Ky.	Harris	O'Brien, Ill.
Bates, Mass.	Harrison	O'Brien, Mich.
Battle	Hart	O'Hara, Ill.
Beckworth	Havenner	O'Neill
Blemiller	Hays, Ark.	O'Sullivan
Bolton, Md.	Hedrick	O'Toole
Boykin	Herlong	Pace
Breen	Herter	Patman
Brown, Ga.	Heseltun	Patten
Buchanan	Hobbs	Perkins
Buckley, Ill.	Hollifield	Peterson
Burke	Holmes	Pickett
Burleson	Hope	Polk
Burton	Jackson, Wash.	Preston
Camp	Jacobs	Price
Canfield	Johnson	Priest
Cannon	Jones, Ala.	Quinn
Carnahan	Jones, Mo.	Rabaut
Carroll	Jones, N. C.	Regan
Case, N. J.	Judd	Rhodes
Cavalcante	Karst	Rodino
Chelf	Karsten	Rogers, Fla.
Chesney	Kean	Rooney
Christopher	Keating	Sasser
Clemente	Kelley	Sims
Combs	Kerr	Smathers
Cooley	Kilday	Smith, Va.
Cooper	King	Spence
Cox	Kirwan	Stanley
Crook	Kruse	Stigler
Davenport	Lanham	Sullivan
Davies, N. Y.	Lesinski	Sutton
Davis, Ga.	Lind	Teague
Dawson	Linehan	Thomas, Tex.
DeGraffenried	Lucas	Thompson
Delaney	Lyle	Thornberry
Denton	McCarthy	Tollefson
Dollinger	McCormack	Trimble
Doughton	McGrath	Underwood
Doyle	McGuire	Vorys
Durham	McKinnon	Wagner
Elliott	Madden	Walsh
Fallon	Magee	Welch
Fernandez	Mahon	Wheeler
Fisher	Marsalis	Whitten
Fogarty	Marshall	Wickersham
Forand	Merrow	Wier
Frazier	Michener	Wilson, Okla.
Fugate	Miles	Wilson, Tex.
Gary	Miller, Calif.	Winstead
Gathings	Millis	Yates
Gordon	Mitchell	Young
Gorski, Ill.	Monroney	Zablocki

NAYS—124

Abernethy	Brown, Ohio	Ellsworth
Allen, Calif.	Bryson	Engel, Mich.
Andersen	Burdick	Fenton
H. Carl	Byrnes, Wis.	Ford
Andresen	Case, S. Dak.	Gamble
August H.	Chapfield	Gavin
Angell	Church	Gillette
Arends	Clevenger	Golden
Auchincloss	Cole, Kans.	Graham
Barden	Colmer	Gross
Barrett, Wyo.	Cotton	Gwinn
Bennett, Fla.	Cunningham	Hagen
Bennett, Mich.	Curtis	Hall
Bishop	Davis, Wis.	Edwin Arthur
Blackney	D'Ewart	Hallock
Boggs, Del.	Dolliver	Hill
Brehm	Dondro	Hinsaw

Hoeven	Miller, Md.	Secrest
Hoffman, Mich.	Miller, Nebr.	Shafer
Hull	Morris	Sikes
Jackson, Calif.	Morton	Simpson, Ill.
James	Murray, Wis.	Simpson, Pa.
Jenison	Nelson	Smith, Kans.
Jenkins	Nicholson	Smith, Wis.
Jennings	Norrell	Stefan
Jensen	O'Hara, Minn.	Stockman
Jonas	Passman	Taber
Kearney	Patterson	Tackett
Kearns	Phillips, Tenn.	Talle
Keefe	Potter	Towe
Kilburn	Poulson	Van Zandt
Larcade	Powell	Velde
LeCompte	Rankin	Vursell
LeFevre	Redden	Wadsworth
Lemke	Rees	Welch
McConnell	Rich	Werdel
McCulloch	Rivers	White, Calif.
McDonough	Sadiak	Wigglesworth
McGregor	St. George	Williams
Mack, Wash.	Sanborn	Wilson, Ind.
Martin, Mass.	Saylor	Woodruff
Mason	Scrivner	
Meyer	Scudder	

NOT VOTING—131

Abbitt	Garmatz	Norblad
Allen, Ill.	Gilmer	Norton
Allen, La.	Goodwin	O'Konski
Baring	Gore	Pfeiffer
Barrett, Pa.	Granahan	Joseph L.
Beall	Green	Pfeiffer
Bentsen	Gregory	William L.
Bland	Hall	Philbin
Blatnik	Leonard W.	Phillips, Calif.
Boggs, La.	Hand	Plumley
Bolling	Harden	Poage
Bolton, Ohio	Hare	Rains
Bonner	Harvey	Ramsay
Bosone	Hays, Ohio	Reed, Ill.
Bramblett	Hébert	Reed, N. Y.
Brooks	Heffernan	Ribicoff
Buckley, N. Y.	Heller	Richards
Bulwinkle	Hoffman, Ill.	Riehlman
Burnside	Horan	Rogers, Mass.
Byrne, N. Y.	Howell	Roosevelt
Carlyle	Huber	Sabath
Celcer	Irving	Sadowski
Chatham	Javits	Scott, Hardie
Chudoff	Kee	Scott
Cole, N. Y.	Kennedy	Hugh D., Jr.
Corbett	Keogh	Sheppard
Coudert	Klein	Short
Crawford	Kunkel	Smith, Ohio
Crosser	Lane	Staggers
Dague	Latham	Steed
Davis, Tenn.	Lichtenwalter	Tauriello
Deane	Lodge	Taylor
Dingell	Lovre	Thomas, N. J.
Donohue	Lynch	Vinson
Douglas	McMillan, S. C.	Walter
Eaton	McMillen, Ill.	Whitaker
Eberharter	McSweeney	White, Idaho
Elston	Mack, Ill.	Whittington
Engle, Calif.	Macy	Willis
Evins	Mansfield	Withrow
Feighan	Marcantonio	Wolcott
Fellows	Martin, Iowa	Wolverton
Flood	Morrison	Wood
Fulton	Multer	Woodhouse
Furcolo	Murphy	Worley

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs of Louisiana for, with Mr. Hare against.

Mr. Morrison for, with Mr. Hand against.

Mr. Garmatz for, with Mr. Dague against.

Mr. Vinson for, with Mr. Lichtenwalter against.

Mrs. Douglas for, with Mr. Kearns against.

Mr. Evins for, with Mr. Smith of Ohio against.

Mrs. Bolton of Ohio for, with Mr. Hoffman of Illinois against.

Mr. Byrne of New York for, with Mr. Marcantonio against.

Mr. Feighan for, with Mr. Allen of Illinois against.

Mr. Mansfield for, with Mr. Reed of Illinois against.

General pairs until further notice:

Mr. Whittington with Mr. Wolverton.

Mr. Eberharter with Mrs. Rogers of Massachusetts.

Mr. Gilmer with Mr. Norblad.
 Mr. Hébert with Mr. Macy.
 Mr. Willis with Mr. Beall.
 Mr. Abbitt with Mr. Cole of New York.
 Mr. Granahan with Mr. Thomas of New Jersey.

Mr. Lane with Mr. Wolcott.
 Mr. Barrett of Pennsylvania with Mr. Withrow.

Mr. Donohue with Mr. Taylor.
 Mr. Chudoff with Mr. Short.
 Mr. Huber with Mr. Coudert.
 Mr. Tauriello with Mr. Elston.
 Mr. Ribicoff with Mr. Goodwin.
 Mr. Stagers with Mr. Leonard W. Hall.
 Mr. Hays of Ohio with Mr. Horan.
 Mr. Richards with Mr. Hardie Scott.
 Mr. Green with Mr. Reed of New York.
 Mr. Gregory with Mr. Harvey.
 Mr. Rains with Mr. Eaton.
 Mrs. Norton with Mr. Bramblett.
 Mr. Furcolo with Mr. Fellows.
 Mr. McSweeney with Mr. Phillips of California.

Mr. McMillan of South Carolina with Mr. William L. Pfeiffer.

Mr. Deane with Mr. Hugh D. Scott, Jr.
 Mr. Dingell with Mr. Crawford.
 Mr. Flood with Mr. Kunkel.
 Mr. Engle of California with Mr. Latham.
 Mr. Philbin with Mr. Love.
 Mr. Walter with Mr. Martin of Iowa.
 Mr. Whitaker with Mr. Corbett.
 Mr. Allen of Louisiana with Mr. Riehlman.
 Mr. Bonner with Mr. Plumley.
 Mr. Wood with Mr. McMillen of Illinois.
 Mr. Brooks with Mr. O'Konski.
 Mr. Worley with Mr. Fulton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 8: Page 5, line 14, insert: "The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer: *Provided*, That quarterly reports for the fiscal year 1950 shall be made to the Congress by the Administrator of the program undertaken pursuant to this section."

Mr. GARY. Mr. Speaker, I move that the House recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert:

"The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer."

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. GARY].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: Page 6, line 16, insert:

"CHINESE STUDENTS

"The President is authorized and directed to allocate to the Secretary of State the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the act entitled 'An act to amend the Economic Cooperation Act of 1948', approved April 19, 1949 (Public Law 47, 81st Cong.), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended."

Mr. GARY. Mr. Speaker, I move that the House recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read, as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert:

"The President is authorized and directed to allocate to the Secretary of State not to exceed the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the Act entitled 'An Act to amend the Economic Cooperation Act of 1948,' approved April 19, 1949 (Public Law 47, 81st Cong.), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institution in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 12, line 2, insert the following: "Provided further, That when the Department of the Army, under the authority of the act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 13, line 23, insert the following:

"SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army

is authorized to operate the Morgantown Ordnance Works at Morgantown, W. Va., the Ohio River Ordnance Works at West Henderson, Ky., and the San Jacinto Ordnance Works at San Jacinto, Tex., for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for 'Government and relief in occupied areas' an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, W. Va., the Ohio River Ordnance Works at West Henderson, Ky., and the San Jacinto Ordnance Works at San Jacinto, Tex., and to use the appropriation herein made for 'Government and relief in occupied areas' for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for 'Government and relief in occupied areas' an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed, effective June 30, 1949."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

TRUMAN'S DRIVE TO WIN THE 1950 ELECTION IS ON AND THE CONSUMER-TAXPAYER WILL PAY THE COST

Mr. HOFFMAN of Michigan. Mr. Speaker, there was a time in the history of our country when vote-buying politicians and special privilege-seeking groups carried on their activities under cover. Then the public roundly condemned the individual or group which sought support or special privilege through the use of private or public funds.

As proof, we have but to recall the case of Senator Newberry, who did no more than use his own money to publicize his candidacy. Because he spent not illegally but too liberally, he was convicted of a criminal offense by a Federal jury in Michigan. That conviction was reversed, the Supreme Court of the United States declaring him guiltless, but nevertheless he was publicly discredited and humiliated.

NEW DEAL, FAIR DEAL IMPAIR INTEGRITY

But more than 16 years of the New Deal and the Fair Deal have so seduced some of the voters, destroyed their sense

[PUBLIC LAW 327—81ST CONGRESS]

[CHAPTER 621—1ST SESSION]

[H. R. 4830]

AN ACT

Making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1950, namely:

TITLE I

LEGISLATIVE BRANCH

SENATE

CONTINGENT EXPENSES OF THE SENATE

Joint Committee on Foreign Economic Cooperation: For salaries and expenses of the Joint Committee on Foreign Economic Cooperation, as authorized by Public Law 472, Eightieth Congress, as amended by Public Law 47, Eighty-first Congress, including per diem and subsistence expenses, without regard to the Travel Expense Act of 1949, approved June 9, 1949, from October 2, 1949, to June 30, 1950, \$110,000: *Provided*, That the amount herein appropriated shall include all expenses necessary to liquidate the affairs of the joint committee not later than June 30, 1950.

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC COOPERATION

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the period commencing April 3, 1949, through June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$6,000); hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$6,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$1,074,000,000: *Provided*, That not to exceed \$4,400,000 in the aggregate shall be available from this appropriation and the appropriation under this head in the Foreign Aid

Appropriation Act, 1949, for administrative expenses during the period April 3, 1949, through June 30, 1949.

For expenses necessary to enable the President to carry out the provisions of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47), for the fiscal year ending June 30, 1950, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed two) and hire of passenger motor vehicles; maintenance and operation and hire of aircraft; payment of damage claims pursuant to law (28 U. S. C. 2672); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$25,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$3,628,380,000, of which not to exceed \$350,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein specified: *Provided*, That this appropriation shall be consolidated and merged with appropriations under this head for prior periods, and such consolidated appropriation may be used during the fiscal year 1950 within limitations herein specified: *Provided further*, That not to exceed \$16,500,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950, of which not more than \$25,000 shall be available to the Administrator for any further action he may consider advisable to carry out the provisions of section 115 (f) of the Economic Cooperation Act of 1948, as amended by the Act of April 19, 1949 (Public Law 47): *Provided further*, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said Act; and the provisions of paragraph (2) of section 111 (c) of said Act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein.

The Administrator shall utilize such amounts of the local currency allocated pursuant to section 115 (h) of Public Law 472, Eightieth Congress, as amended, as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer.

ASSISTANCE TO GREECE AND TURKEY

For an additional amount for "Assistance to Greece and Turkey", as authorized by the Act of May 22, 1947 (61 Stat. 103), as amended and supplemented, to be available immediately, \$45,000,000, which, together with the amounts heretofore appropriated under this head,

shall remain available until June 30, 1950; and the existing limitation under this head in the Foreign Aid Appropriation Act, 1949, on the amount available for administrative expenses, shall continue in effect; and the existing limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$400,000" to "\$425,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State.

CHINESE STUDENTS

The President is authorized and directed to allocate to the Secretary of State not to exceed the sum of \$4,000,000 out of any unobligated balance of the amount made available under section 12 of the Act entitled "An Act to amend the Economic Cooperation Act of 1948", approved April 19, 1949 (Public Law 47, Eighty-first Congress), to be used, under such regulations as the Secretary of State may prescribe, for necessary expenses of tuition, subsistence, and return passage to China for selected citizens of China to study in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes of this paragraph; such amount to remain available until expended.

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including personal services in the District of Columbia and elsewhere and, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per diem for individuals; health service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to law (28 U. S. C. 2672); translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; purchase and hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States commanders, commissioners, or other administrators of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the head of the department or agency concerned); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease,

or unrest, prejudicial to the objectives sought to be accomplished; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$912,500,000, of which not to exceed \$42,500,000 shall be available for administrative expenses: *Provided*, That the general provisions of the appropriation Act for the fiscal year 1950 for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the occupied areas in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948, as amended: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947): *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan or the Ryukyus regardless of methods of

shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency such unobligated balances of this appropriation and, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred; and any funds so transferred may be expended either under the authority contained herein or under the authority governing the activities of the department or agency concerned: *Provided further*, That when the Department of the Army, under the authority of the Act of March 3, 1911, as amended (10 U. S. C. 1253), furnishes subsistence supplies to personnel of civilian agencies of the United States Government serving in Germany, payment therefor by such personnel shall be made without regard to the 10 per centum additional charge required by said Act, but payment for subsistence supplies by such personnel shall be at the same rate as is paid by civilian personnel of the Department of the Army serving in Germany.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, West Virginia, the Ohio River Ordnance

Works at West Henderson, Kentucky, and the San Jacinto Ordnance Works at San Jacinto, Texas, and to use the appropriation herein made for Government and Relief in Occupied Areas for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for "Government and relief in occupied areas" an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949.

SEC. 203. This Act may be cited as the "Foreign Aid Appropriation Act, 1950".

Approved October 6, 1949.

